

**WEDNESDAY
4TH DECEMBER, 1991
10:05 A.M.**

MADAM SPEAKER:

Prayers by the Third Elected Member for George Town.

PRAYERS

MR. TRUMAN M. BODDEN:

Let us Pray.

Almighty God, from whom all wisdom and power are derived: We beseech Thee so to direct and prosper the deliberations of the Legislative Assembly now assembled, that all things may be ordered upon the best and surest foundations for the glory of Thy Name and for the safety, honour and welfare of the people of these Islands.

Bless our Sovereign Lady Queen Elizabeth II, the Queen Mother, Philip Duke of Edinburgh, Charles Prince of Wales, Diana Princess of Wales and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, the Members of Executive Council and Members of the Legislative Assembly that we may be enabled faithfully to perform the responsible duties of our high office.

All this we ask for Thy great Name's sake, Amen.

Let us say the Lord's prayer together:

Our Father who art in Heaven, Hallowed be Thy Name, Thy Kingdom come, Thy will be done in earth as it is in Heaven; Give us this day our daily bread, and forgive us our trespasses, as we forgive them that trespass against us; And lead us not into temptation, but deliver us from evil; For Thine is the Kingdom, the power and the glory, for ever and ever. Amen.

The Lord bless us and keep us: the Lord make His face shine upon us and be gracious unto us: the Lord lift up the light of His countenance upon us and give us peace now and always. Amen.

APOLOGIES

MADAM SPEAKER:

Please be seated. Proceedings are resumed. I have an apology from the Honourable Member for Communications and Works, who will be absent as he is performing the official opening of the Twentieth Caribbean Water Engineers Conference.

Government Business. Continuation of the Debate on the Budget Address. The Elected Member for East End.

GOVERNMENT BUSINESS

BILLS

SECOND READING

THE APPROPRIATION (1992) BILL, 1991

**CONTINUATION OF THE DEBATE ON THE BUDGET ADDRESS DELIVERED BY
THE HONOURABLE FINANCIAL SECRETARY ON 15TH NOVEMBER, 1991**

MR. JOHN B. McLEAN:

Madam Speaker, I would like to offer my congratulations to the Honourable Financial Secretary on his usual eloquent way of presenting this country with a Budget Address. However, I believe that he would rather have Members' sympathy over the problems which he encounters in trying to manage this Government with the finances of this country. I would like to say thank God for a man like our Financial Secretary, a brave man who has the nerve to so boldly deliver to this country his strong views on the serious state this country's financial affairs are presently in.

Madam Speaker, on page 8 in both paragraph 4.1.7. and 4.2.0. he has offered a warning which I hope the Government will heed. I quote from his Address:

"While realized local revenue appears to have followed a fairly systematic or predictable growth path between 1986 and 1990, actual total public expenditure appears to have followed an unpredictable growth path over the same period. Madam Speaker, if trend analysis has shown that realized local revenue and recurrent expenditure have been following divergent growth paths, and this trend is allowed to continue over this and the next two fiscal years, then public finances would be heading in the wrong direction."

In paragraph 4.2.0. he went on to say:

"On this basis, I have concluded that there has been a marked divergence in the growth trends between realized local revenue and actual recurrent expenditure, particularly in 1989 and 1990, and that if this trend is allowed to continue unchecked, public finance would be drifting in the wrong direction."

Madam Speaker, this is serious when the Financial Secretary of a country must make such serious statements in a Budget Address to his country and indeed to the Government of the day. These words of warning coming from our Financial Secretary deeply concern me and I know from talking to many individuals in the public and they too, are very concerned. The feeling, not only from this Budget Address but from the general public, is that this Government has definitely failed in managing the finances of this country.

Madam Speaker, it is bad enough to know that the Revenue of this country is being driven by Expenditure. What is even worse is the fact that our General Reserves have almost been depleted. Again this is due to this Government's hasty spending on projects which are not urgent, projects which could wait until this country's finances are better off. This country's General Reserves are worse off today than it was five years ago and this is a fact. It is my belief it will get worse if this Government must continue on the trend which they have been on for the last three years.

We have heard in answers given on the Floor of this Honourable House that at the end of October, 1984 the General Reserves showed a balance of CI\$10,032,000. Madam Speaker, since that time, contrary to all that we have heard, especially from the Second Elected Member of Executive Council, in the way that he constantly degrades the 1976-1984 Government, today the Reserves are worse off than at the end of 1984. We have seen this Government each year dabbling in the Reserves of this country in an effort to try and present what they call a "balanced budget." Again, Madam Speaker, I wish to read from the Financial Secretary's Address on General Reserves. He stated:

"The general reserve balance at the beginning of the year stood at 12.0 million. Interest earned this year is expected to total \$1.0 million which produces an estimated total at year end of \$13.0 million. It is proposed in the 1992 budget to transfer \$3.5 million from General Reserve to General Revenue, thereby causing a reduction in the reserve position to \$9.5 million."

This bears out exactly to what I said a while ago, Madam Speaker, with regard to the position of our General Reserves at the end of October, 1984.

God knows it is good to hear that we will be earning \$1 million on the \$12 million which we presently had in Reserves because the pattern which this Government has undertaken to follow needs as much interest earned as is possible as their trend has been to spend, and spend, and spend. Madam Speaker, this Government has constantly used the Gulf war as their reason for the downward trend for this country's economy. But I stand to differ with this because their crisis was long at hand before the Gulf war. I am afraid this trend will continue until the election next year, when it is my hope that the people of these Islands will remember the pain and sorrow which this Government, with the vote of Captain Mabry on this side, has put them through up to this point. I am sure the trend will continue until 1992.

Madam Speaker, this Government will go down in history as being a Government which has imposed \$20 million in taxes on every man, woman and child in these Islands in the last three years. In July, 1990 this country was faced with a package of some \$10 million. Sixteen months later we are again faced with another \$10 million in taxes. This can do this country no good because contrary to what has been said in this House by Members of Executive Council who have spoken, when taxes are imposed, regardless of what items the fees may be placed on, eventually it trickles down to the man on the street.

We have seen in the Customs Law a recommendation by the Government which will bring in duty on some 17 items. Also this was only one area which was tapped with revenue measures. We are looking at some of these items with an increase of over 100 per cent and while we have been told that the items which the increase was imposed upon are items which the public need not use such as liquor and cigarettes, we need to be realistic about this. We are sensible people in this House and we know that liquor and cigarettes are bad for your health but does that stop some of us from using cigarettes and some of us from using liquor?

It is the same thing with those in the general public who use cigarettes and who drink liquor. The end result is that we will find that those who will suffer as a result of this tax package will not be those who drink or those who smoke but indeed the families of those individuals. More suffering as a result of this Government's action.

What is most ridiculous about this is that a short time ago it was this Government which decided that in every area where an individual wanted to sell liquor could be licenced. Now they are trying to play possum as they usually do and trying to make it appear that they are against liquor and that they are against smoking. Madam Speaker, it leaves one to wonder if this is because of an election year and because of those votes which they figure will come from the churches. I wonder, I wonder. But I hope that the individuals who fill the walls of our many churches will realise that this is not out of the care for the people of this country but indeed out of the greed for more money to waste on grandiose projects such as the monstrosity of a Hospital which this country cannot afford at this time and which I will deal with a little further on.

Other areas in which we have seen substantial increases in taxes are under the Planning Law and the Companies Law. Two very serious areas, especially the Companies Law. It is a known fact that taxes and more taxes happen to be one of the things which have literally crippled other Caribbean Islands which have taken this same stand, more taxes and more taxes. We have to be careful in this country that we are not killing the goose that laid the golden egg when we continue to increase taxes on

companies and banks. Madam Speaker, nowadays it takes only a phone call to transfer funds from the shores of these Islands. I issue to this Government a warning to be cognisant of this fact. Already, it is my understanding, that there may be companies which have serious views on this heavy increase and who may be thinking of taking their business elsewhere.

Madam Speaker, if this trend is followed this could be definitely to the detriment of these Islands. This Government needs to start thinking not of themselves and their friends but of the youth of this country and what it means to continue to maintain what we have experienced here for years and years. That is, a good living because of things like banks and trust companies which have flooded our shores. Let us not kill the goose that laid the golden egg.

Madam Speaker, much was said especially by one Member of Executive Council with regard to these fees. We have an increase here on diesel oil which, according to their way of thinking, will not cause that much of an increase to the people of this country. But I stand to differ. I will show this as I go on. Another area where this Government certainly is not consistent in their plans is where we have heard much of what they are doing to promote agriculture in this country. One of the items that stands out in the increases which they have put forward happens to hit the very heart of agriculture. Again, I will touch on this later in my debate.

Madam Speaker, to touch on what I mentioned earlier over the increase in liquor and cigarettes. I did mention that I did not believe that this Government was worried over the suffering which this increase could cause. I did say that I do not believe they are worried over anything else than the money which they will raise from these taxes to waste on projects.

Madam Speaker, I mentioned the Hospital and I will now refer to this project or the property on which this Hospital is to be built as what I consider the Everglades of Grand Cayman. This country definitely cannot afford at this time to spend large sums, or I should say waste large sums as we have heard on just filling property to site a hospital on.

Madam Speaker, I was shocked a few days ago when I asked a question of the Member with responsibility for Health and Social Services. I questioned as to how many sites had been checked out prior to deciding on the present one. His answer to me was that a search of all Crown lands had only revealed five sites, of which they had selected the one in question. Madam Speaker, I cannot believe that a country like this one does not afford us property which is better than what has been chosen for a new Hospital. This has to be nothing less than a joke. We were told that most of the other property was partly swamped but I submit the present piece is all swamp.

As is usual the Backbenchers are constantly told that we criticise but we do not offer any alternative. Regardless if my suggestions are heard, agreed upon, or whatever, I always try to make suggestions. I would first of all suggest to the Member that the plans for this monstrosity of a hospital be scrapped. Secondly, I would further suggest that the \$3 million or \$4 million which it will cost this country to fill the swampland be properly utilised and spent on our present Hospital facilities and have them upgraded to meet our present needs.

Madam Speaker, it is very unfortunate that we have a Member in charge of this country's Health Services who is not willing to listen to good, sound advice. Not only advice from the Backbenchers but it seems as if he refuses to take good advice from any area because we are aware that besides the Backbenchers in this Honourable House other associations such as the Medical Association have offered to this Member good advice and he has certainly ignored it. It seems to me that this Member feels he must have his way at all times.

It is a fact that the Medical Association has spoken to this Member with regard to the split Hospital site not only from the point of view that it is too expensive at this time but also they have pointed out many, many other things which make it wrong. They did likewise on the Health Insurance Programme. But Madam Speaker, what did we hear in this House? We have heard from the Member a direct personal attack on these associations because they have spoken out. It is definitely bad when a man reaches a point in life where he believes that he knows it all and where he is not prepared to listen when somebody offers good advice.

Let me say I am not here to judge this Member's ability as a pharmacist but the fact remains that qualification does not make him a medical practitioner, it does not make him an authority on building hospitals, and it does not make him an authority on insurance for this country. Madam Speaker, he must stop and listen. He must realise that he is not using his own funds or the funds of his friends but that he is now dealing with the money belonging to the people. And indeed, he must present to this country projects which this country can afford. I think the time has come that he must realise and refrain from committing this country and its people to unnecessary expenditures. Madam Speaker, if a hospital is to be built as he is suggesting, it is my honest opinion that it will be many, many years, many generations who will feel the pinch of paying for this monstrosity.

From speaking to certain planners, architects and doctors I am told that they are confident that the funds, as I have mentioned earlier, which will be utilised, or I should say, which will be thrown into the pond, are sufficient to upgrade our present Hospital and to provide the necessary facilities which will make this country and its people comfortable for many years to come as far as health services are concerned. The question I would like to ask is can a medical facility constructed in areas, such as are suggested, be healthy for individuals who are already sick? I have no medical background but common sense tells me that it cannot be. Again I would say this country still has enough dry land rather than us having to spend unnecessary amounts which are not affordable to this country at this time on such projects.

I would further state that it seems stupid to me that we have a Government that is proposing this huge Hospital just to have it to say that they have a huge Hospital because it is

already a fact that many people in this country cannot afford the high fees which this same Member has put in place at our Hospital.

It is a fact that these fees cannot stop where they are if such a Hospital is to be built. We see from the new fees which are proposed that the people of this country will be paying \$200 per day. This includes the room, routine medical and nursing services. But this does not end there because we further see that if a patient is taken into Intensive Care automatically they will be faced with an extra \$100 per day. Not to speak of the use of the Delivery Room. It seems to me that those out there who may have it in their mind to increase their families certainly should think and think twice because it will not be so easy or so cheap to obtain the services at the Hospital. We are looking at \$300 per day for the use of the Delivery Room.

Madam Speaker, we could go down this list, and to see what one is faced with, there is a separate fee for the Operating Theatre which is broken into major and minor surgery. There is a separate fee for anaesthesia. There is a surgeon's fee. There is a consultation fee and it goes on, and on, and on. It is my honest opinion that at present there are many of our people who, because of these huge fees, prefer to stay at home and do without the medical help which they should receive, literally free, from our Government Hospital, their Hospital. But no, the Member has chosen to put fees in place equal to those of a US hospital. He has forgotten that he is not operating a private hospital but indeed, we are talking of the people's Hospital, the Government's Hospital.

I have been told that there are people in our communities who prefer to go to private doctors here on the Island and it is simple because they feel that they receive better services for the funds which they have to pay. What are we doing? Is it an outright attack on the people of this country when we bring these huge fees from every angle on our people? No one wants to be sick but the least any country can do for its people is to make sure that when someone is sick they are able to be treated, they are able to pay for the treatment. I am afraid to say that it seems as if at our Hospital here our people will soon not be able to do this.

I am told that in many instances the public much rather goes to a private doctor because if the fee is \$200 they leave the Clinic feeling content because the doctor definitely performs for the money which he charges. To the contrary, I am told that it is not this way at the Hospital. I would like to say here and now I am urging the Medical Association to come forward as a united body as forcefully as possible and to explain to the people of this country what they see as the problem which this country is faced with, in regard to medical facilities, with regard to this monstrosity of a Hospital which is proposed, with regard to this health insurance as it being put forward by this Government. I would further say this Association owes this much to this country. I believe that they are as concerned about the health in these Islands as any Member with responsibility for Health now, in the past, or in the future. I would say that this Association is made up of professional people who know what good health care is all about.

Contrary to what the previous speaker said, Madam Speaker, I am pleased with the actions of this Association thus far with regard to their suggestions and objections to a health policy and a new hospital site and a hospital for this country. As I have mentioned before, I encourage them to continue to inform the people of this country on such medical matters. Madam Speaker, to summarise on the subject of Health, let me say any country must try to provide, within its financial bounds, a good health system for its people. But that does not mean that we on this small Island must try to construct a replica of Mount Sinai in the Everglades of Grand Cayman. We cannot afford it and it just does not make sense at this time.

While under this Portfolio, let me make a few remarks on Social Services. This is one of the most serious areas in this country today. I was shocked a few days ago when the Member answered a question which was put to him by me. For the listening public, I seek the indulgence of the Chair to read this again. This question was to do mainly with my district but the answer covered the Island. My question was: Would the Honourable Member say whether there is an up to date list of needy persons for East End? The question was quite blunt, Madam Speaker. The answer I was given: The Social Services Department does not keep a list of needy persons in any of the districts.

Madam Speaker, God knows we have a right to have so many needy persons in our various communities. I cannot speak on this for other Backbenchers or other Members of this House but I can speak for myself and I would say that over my tenure in this office, some 15 years, God knows if the Social Services Department had only kept a list for my district they would have had a long enough one because I have been constantly trying to assist in this area by reporting needy cases as I was them from my district. Madam Speaker, there is no excuse for this negligence. There is no excuse. What sort of a Department do we have when they do not even keep lists of one of the most important areas of our Social Services, the needy persons?

Again, I must say here for many of us in this House we tend to forget after an election about those needy persons, those poor persons, the little man on the street. They are the individuals who I am speaking of. Let me clear up something here because I know that certain Members in Executive Council, especially the Second Elected Member, have a way of twisting things. I would like to say that while I have spoken of a long list of needy persons, I would never, every recommend somebody who did not fall into this category.

Madam Speaker, the case which I have put forward quite recently is a most urgent case. I took the matter not only to Social Services but indeed, I reported it to the Member, the Member who prides himself in saying, each time we meet in this House, how much he is doing in his Portfolio. I am not saying that this Member has not tried in certain areas but can we look in one direction and forget about the other? No, I know that same Member has a way of saying that we have to write off certain generations of our people. I wonder if he is also trying to put the needy persons in our districts in that category?

Madam Speaker, the matter which was raised in that question was a matter of shelter. Shelter for an old lady, not for a young individual. A lady who has been a lady in every sense and who has now returned to her childhood days and needs that assistance. As is customary by me, when I

discovered how urgent this was, I immediately took the necessary action. But if I could have done it myself I would not have approached those whom I have mentioned. But how long will it take to address a simple matter like this when it is now some three years since I first reported this individual? Madam Speaker, if this was something of a prestigious nature I would bet my bottom dollar it would have been taken care of a long time ago. But no, as I have stated, the little people, the poor people, are forgotten once this Government passes through an election.

It does not bother me one way or the other what may be said about me with regard to what I have said on this matter because I have been in this House as long as anyone else and my track record will show that I do not stand here for politics. I stand here for the people. This area in our Government needs to be cleaned up. I would further state that regardless of what this Member of Executive Council, who is also the Member for North Side, and the Second Member of Executive Council may say, this would never have happened during the 1976-1984 Government. I know they would differ on that but Madam Speaker, we took care of the people of this country. Not only the rich as it happens today, but we took care of the grass roots straight up to the top. At that time we had in place the Third Elected Member for George Town, who showed his interest and who tried in every way to assist the people of this country with the help of the remainder of the Government.

Madam Speaker, it is my humble submission that this Department of Social Services needs to be shook up like many other Departments in this Government because we constantly hear from Members in Executive Council, "Well, we make the suggestion but the Department will not carry out the order." I wonder if the Members are sheltering under the Departments? I believe that I have a good knowledge of the way Portfolios and Departments work. If a Member is not receiving the co-operation of a Department there is a recourse. His duty, first of all, is to make recommendations to his Principal Secretary and if satisfaction is not received there the matter should then go to the Governor. But as I have said, I am not giving the full blame for this directly to the Department. I believe Members in Government who can give stronger directives, more meaningful directives and we need certain Members back there who care about our people.

Madam Speaker, I also question the same Member for Health with regard to the full-time services of a doctor in the Clinic in my district. What was the answer? There are no plans to staff the Clinic on a 24-hour basis. I was not, in any way, saying that this should be done today. But there again, it just shows us that there are no plans for the future in this Government. I hope that the people of this country will realise that something must be done and done before it is too late and that they will answer this in 1992.

I now turn to tourism and would like to deal with certain areas in this sector. First of all let me say that I am far from being satisfied with certain remarks which were made in the Address. It was said that our tourism sector has performed reasonably well. For a country which depends almost entirely on tourism and banking I must say that this is not good enough. Let me say that we cannot become complacent in this area.

Madam Speaker, while we continue to pride ourselves for our beautiful beaches, our friendliness, our beautiful waters, sun and our almost crime free society, we can never lose sight of the fact that we continue to be the envy of our neighbours and we cannot stop at any point and become complacent. We must press on. We must do more.

Madam Speaker, I did highlight our almost crime free society and I did this purposely because we can no longer sell these Islands the way we did a few years ago. We know as a fact that crime is definitely on the increase in these Islands and my great concern is what is this Government doing to curtail this growing trend? We constantly hear of more rape, more assault and more criminal activity in general but at the same time we hear from a Government that they have abandoned the one deterrent which we might have had in these Islands and I am speaking of the gallows.

It seems as if, again for political reasons, there are many of us in here who are scared of using the word gallows. My honest opinion is that this was a sad mistake when the Government took the stand to put the gallows aside. I believe that this acted as a deterrent in the minds of many. I believe that this would have caused a lot of people to stop and think before taking the laws of this country into their hands.

While speaking of criminal activity I would like to touch briefly on a most recent prison break. This deeply concerns me and it is my hope that every effort will be made that we will not have a repeat of this. But my final comment on this matter is I wonder who will be fired this time for the carelessness or it is a fact that only our Caymanians can be penalised for such negligence? I, as a Caymanian, really wonder what has happened in this beloved Island to the rights of our own people?

There was a big hullabaloo and two of our men were suspended but we have seen a report on the most recent break that more or less pats the now Director on his shoulder. It is my humble opinion that we will again see such prison breaks because if the problem had been corrected when the other break took place we would not have had it a few weeks ago but indeed, we did have it a second time. The public is thinking seriously over this matter. And as a previous lady Member used to say, "It is on the marl road that one of the reasons why the Director who was penalised for the first jail break was offered the honour of a JP was to keep his mouth closed against this present break." But if I was that Member I would have accepted that honour and God knows when I finished writing you would need as many pens as the Fourth Elected Member of Executive Council had ordered for Cayman Airways. (LAUGHTER)

Madam Speaker, while I mentioned a little on tourism, I would like to continue to add a little more. I would like to say that we also need to continue to make sure that the tourists to our shores are receiving good value for their dollar. Also, I have been very concerned for a long time over the procedure of advertising our Islands abroad. This is a very costly exercise and I am still concerned if we are using the correct media and in the case of television if it is on at the right times and in the correct places for the types of persons we want to attract to our shores.

Madam Speaker, in my books it is of no use for us to cater to what we have heard referred to as the "peanut butter sandwich" tourist. I say this with the greatest of respect and concern for this country. I have received complaints from numerous individuals who are involved in hotel related businesses who complain of the calibre of individuals who now visit our shores. I am told that for the short stay and damage done to their properties during that short stay by some of the tourists, it is just not worth it.

Indeed, it seems as if some of them work long enough to obtain a ticket but when they arrive here have very little in their pocket. This is what I am speaking of, Madam Speaker. I am not, in any way, trying to degrade any individual who may come to our shores but what I am trying to make sure of is that our country benefits from those to whom we open our arms.

I continue to say we need to offer more to the tourists. In so doing, I believe we will attract the correct calibre of persons. I would say that I was most happy a few days ago to hear from the Member with responsibility for Tourism that he was going to make me happy with regard to his plans for some new attractions in this area. His reason for saying that to me is no doubt that over the years I have been a Member who has constantly nagged this Member, the Member for Tourism, to try to motivate his stagnant Government on trying to assist him in putting in place more attractions for the tourists.

Madam Speaker, there are many such areas of attraction which could be fully developed in these Islands and especially in my district, East End. I could point out at least eight areas that if developed, with its history properly put forward, would be places that tourists would never leave these shores before having an opportunity to see.

I would first mention the Wreck of the Ten Sails. There is a gentleman in my district who owns property immediately on the shores of which the Wreck of the Ten Sails lays. It has been some time now that I have approached this gentleman, who was willing to work along with Government to develop this area into a sort of tourist related business. At the same time he was willing for Government to erect a monument at the Wreck of the Ten Sails. I was happy to hear from the Member that something will be done there.

Also, we have the lovely Blow Holes and I have done everything in my power to try for the last four or five years to have this area developed. It is already an attraction but very unsafe for the tourists in its present state. I have approached the owner of the property who has agreed that he would be willing to work along with Government to develop this area. But again it seems as if you deal with one arm of Government and the other knows nothing about it.

The Second Elected Member for Cayman Brac happens to be the Member who owns this property. The gentleman - and my colleague, I would say - handed me permission for this project to go ahead. He watched me hand deliver this to the Director of the Public Works Department. I, in turn, notified the Portfolio. I was shocked during Question Time to hear that the First Elected Member of Executive Council with responsibility for Tourism was not aware that this permission had been granted. I hope that now that the Government is aware of what has taken place that they will take into consideration the thousands of tourists who visit that site on a yearly basis and that this will be treated as an urgent, important matter.

We have also in my district the old lighthouse. Again, I am happy to know that this will be one of the projects of the National Trust. We have the old Isaac site. We have the old Bat Caves with the pirate's well and we have an area which, if fully developed, could be as attractive as Hell in West Bay and in my district it is referred to as the Blue Cliff. These are areas, Madam Speaker, that are great historic sites and I am here dealing with only one district. I am certain that a list could be put together in every district. I am hoping that the Member for Tourism and indeed the Government, will treat tourist attractions with as much importance as has been placed on other grandiose projects.

Madam Speaker, we need roads, yes. We need proper hospital services but we also need the tourist dollar. We cannot expect that we will continue to receive tourists to this country when they can go to our neighbors and enjoy much more for their tourist dollar. As simple as it may seem, let me say that we need to move and move hastily because whenever we see the doors of our neighbour Cuba thrown open, especially to the US tourist, we are going to be in a mess. We need to move and move hastily.

One Member of Executive Council mentioned that the Backbenchers constantly criticise the Government. That is the duty of any Opposition Government. We have that right. He mentioned that even when they did something good for the country, it was not acknowledged. As I pointed out a while ago, I have never, ever in my years here done something like that. I am happy to say that I am pleased to know that the Government took the action which they did in purchasing Pedro Castle. I would say that if this could have been done years ago, it should have been done. But I understand exactly why it was held up.

There are many who think that this was a very expensive project for Government to undertake at this time. I would be the first to admit this, taking into consideration the financial position of this country at this time. But what the people of this country must understand is that this had to be done at this time. This could not be wait. I would further say that over the years in this country we have seen many of our historic sites demolished. It would have certainly been a shame to sit back and allow this to happen to Pedro Castle.

MADAM SPEAKER: Have you reached a point where we might suspend?

MR. JOHN B. McLEAN: Yes, Madam Speaker.

MADAM SPEAKER: The House will be suspended for 15 minutes.

AT 11:34 A.M. THE HOUSE WAS SUSPENDED

HOUSE RESUMED AT 11:57 A.M.

MADAM SPEAKER: Please be seated. Proceedings are resumed. The Elected Member for East End continuing the Debate on the Budget.

MR. JOHN B. McLEAN: Madam Speaker, when we took the short suspension I was dealing with Tourism. I would just like to speak briefly on the editorial of this morning's paper: "Grand Pavilion Hotel faces closure." Madam Speaker, this is a serious headline. To say the least, it is very sad to know that one of Cayman's premier properties is being forced to shut its doors. My understanding is that when Her Majesty the Queen visited us some years ago, this property was found to be the most safe, suitable and convenient area for her to stay, even more so than our own Government House on Seven Mile Beach!

It is my understanding further that the owner of that property went to great expense in making sure that the facility there surpassed all others on the Island for that visit. Also, Madam Speaker, it is my understanding that the owner of this building was the individual who donated to this Legislative Assembly the beautiful plaque which is in front of the building which records the names of the past and present Members of this Legislative Assembly. I say this to say that it is sad to know that the owners of this property, after making such huge contributions to this country, have been treated in the manner which I understand has now forced them to close the doors of the Grand Pavilion Hotel.

It is my understanding that there has been no end to the problems with receiving work permits to operate their business. It is my understanding further that they were constantly hassled with their key employee - and we know that any huge development in this country feels more comfortable to bring in their key employees. But what has happened in this instance? It is my understanding that their key employee was sent away along with many other permits not being granted. Again, I say this Government needs to take drastic action to ensure that investors of this magnitude are not chased away from our shores. We are slowly but surely killing the goose that laid the golden egg.

What is more disturbing is the fact, as I mentioned earlier, that the contributions made by this development to the Government and the people of this country, going as far as donating their property, graciously, to the Queen and her party when she was here... in any other location in a short time after the Queen's departure you would have heard that the Grand Pavilion would have changed their name to, perhaps, the 'Royal Hotel'. But what are we seeing today in this twenty-sixth year of the *Caymanian Compass* edition? We are seeing that the Grand Pavilion Hotel will be closed.

I cite this as a slap in the face to investors in this country. I have to say that we have to blame the Government in power. They should have been abreast of matters such as this and they should have tried their best not to allow it. I am certain that this was not done. A sad state of affairs. It leaves one to wonder which of the hotels will be next? I am certain that there are more hotels than the Grand Pavilion which are experiencing the problems that are causing them to close their doors. Again, I am urging the Government and especially the Member with responsibility for Tourism to look in this area, to have this checked out properly to see what the needs of the various hoteliers are on the Island and to do whatever can be done to assist them.

Common sense would tell us that when this newspaper goes abroad, this will have a bad effect on this Island because by now the world knows where the Queen stayed when she came. The world knows that the Grand Pavilion was one of Cayman's best.

Madam Speaker, I wish to make a few remarks on the national airline. As I usually do, I would like to say that I have always supported the airline especially in matters which come before this House. Matters which, in my mind, are in the interest of the airline and the people of this country. At this point in time I must air my concern over our national airline, Cayman Airways. I thought that the Budget which is presently before us would have reflected some figures to include the airline. This is one reason that I condemn the Budget which has been presented because it cannot be a truthful Budget if we do not have included in it figures for the airline. We know that before next year comes to a close the Government will be called upon for funds for the airline.

Madam Speaker, many times the Members of this Backbench - and I speak of the Members besides Captain Mabry because everyone knows he is the fifth Member of Executive Council - I speak of the other Backbenchers who are constantly ridiculed by the Government whenever we speak out on Cayman Airways. But we are always right. We are always right regardless of what we may say and the records will bear us out on this. But regardless of what we are told with regard to this company being a private company, or whatever, the responsibility and expense of this airline, directly or indirectly, lays with the Government. The funds which the Government spends in any one year are the funds of the people and I was placed in this House by the people of my district. Therefore I will always have my say on Cayman Airways regardless of who may like me for it or who may hate me for it. I am not going to do anything that I feel is a detriment to the airline but when the time comes to vote funds for that airline, I am expected to throw in my vote. If that is expected, then they must expect to hear my say.

Madam Speaker, I do not intend reading into the dissenting statement which Mr. Truman Bodden, Mr. Gilbert McLean and myself have on record but I will must refer to it generally to say that in each case our suggestions and or criticism have come true to the word. The fact is, this is not today, this was put on record in 1989.

I would further say that I am still not convinced that the change of equipment which was done then has not been the main contributor to the present problems of our national airline. But again, the public is very much aware of the views of the Backbenchers then and now and I leave them to do the assessment. But there is one thing which bothers me and that is when I sit in this House and listen to

Members such as the Second Elected Member of Executive Council who tries, at every opportune time, to belittle the Government of 1976-1984 and to try and place the blame for Cayman Airways on the Backbenchers of this House. There is one thing he will never change and that is the facts and the figures, they are on record.

Regardless of what he may say or what the Government may say, it is my belief that if we had remained with our 727s to date, our national airline would have been in a much better position today. There was no Member from the Backbench who was saying we would not have to make a change in equipment. What we were saying is what has been proven correct. It was too costly. As we were saying to day about the Hospital, it is too costly for this country and its people at this time. We said it was not necessary at the time. We tried to show from the information which we could gather that type of aircraft could not compete with those that were presently on line on the routes here to Grand Cayman but we were told that we were talking foolishness.

Madam Speaker, none are so blind as those do not want to see. The sad thing is because of this action the country suffers. The expenses are not on those who caused this to happen. The expense is on every man, woman and child. While we have done our part as good Opposition Backbenchers, we are not prepared to share the blame in this instance. This country must hold responsible for this action the Government along with their usual support Captain Mabry. The time has come when that Member should exercise what he constantly preaches, that he thinks of country before self. We need to think of our country and forget about anchoring oneself to a Government when you know deep within your heart you are doing what is wrong.

Madam Speaker, with the present financial position of our airline it was for this reason that I made a suggestion during question time that perhaps we should for right now put on hold the construction of the aircraft hangar at the airport. I know I will be told that one is Cayman Airways and the other is Civil Aviation but my humble submission on this is that they are both part of the Government. Directly or indirectly it is an arm of the Government and the funds of the people. I believe that if we have made it thus far with what we have, we could hold off a little longer until we can sort out the affairs of our national airline.

From a safety point of view, I believe that it is more important at this time for serious thought to be given to the extension of Owen Roberts Airport. I say this from a safety point of view, I believe and I am subject to my belief that a few weeks ago when we almost had a serious accident that if we had had a longer runway, that definitely would have been in favour of the pilot, airplane, and passengers. But thank God it was no worse than it was.

Since it seems that the Government operates from crisis to crisis I hope that this would be saying something to them and that they are not prepared to sit back and to wait for a repeat before the necessary action is taken. We are talking of spending \$16 million on a Hospital at least at present we have a fairly good facility. I believe that the Government must have their priorities in order and if they did I am certain this one would top the list.

Madam Speaker, I would like to put on record something to put right the question which was posed by I think, the Third Elected Member for George Town and was answered by the Fourth Elected Member of Executive Council and that moves me on to the Fourth Elected Member's Portfolios and some of his responsibilities. In the Third Elected Member's debate mention was made of the Agricultural Pavilion. I think his words were and I quote:

"I do not know what he needs to get it on the road but for three years now we have had none." (referring to the Agricultural Show) "I believe it has to be attributed to the fact that instead of spending the money to build the Pavilion or whatever is needed to carry this out, the money is going into other areas."

And, Madam Speaker, on a Point of Order, the Fourth Elected Member for Executive Council spoke up and said:

"The Member is misleading the House. The Member is aware that it is not my responsibility to build the Pavilion, it is that of the Agricultural Society. Government's only involvement was to grant \$80,000 to the Society."

Madam Speaker, I was hoping that the Member with responsibility would have put on record the full synopsis, the full reason for what has taken place with regard to the delay in the construction of the Agricultural Pavilion.

I am the president of the Society and as the Member well knows, we have worked quite closely in trying to construct the Pavilion. He could have easily said that it is no hold up of the Society or himself and that the matter now rests with one of his departments, the Planning Department. We (and I speak for the Society) are most grateful to the Government for their contribution and while he may say that it is not his responsibility to build the Pavilion, I would point out that I stand to differ.

I would say that when a Government contributes a sum of \$80,000, includes it in their Capital Expenditure Projects for a year, given the overall figures which the project will cost - and in case the Member may wonder from where I am pulling these figures, I am speaking from page 11 of the Estimates from the Public Works Department - I believe that this project should not be isolated to the Society because Government does not only have money in it but indeed the property on which this Pavilion is to built is also Government's.

I would further point out that the problem which we are having with it is as a result of a road leading to the property and the road was also constructed by the Government. So

while we, the Society, realise that we have undertaken to construct the Pavilion, we cite this as a project between ourselves and the Member and his Government. However, I believe this is the correct forum for me to point out exactly why we are held up. It is no fault of any member of my Society. They are all ready and willing to start as of yesterday.

Unfortunately, we have in this country persons who forget from whence they came. We have this property on which the Pavilion will be constructed in one of the agricultural areas of this Island. The individual who has caused us much grief and pain moved to that site and decided to construct his home on the adjoining property. He found Government property there. He used Government's road to get to his property, still uses Government's road to get to his property. But in an effort such as this one by the Society and the Member for Agriculture and his Portfolio we come up against a brick wall which has been caused by this individual who has his dwelling there.

What I am saying is that we have a situation where a top Government Member, who is in charge of a Department that falls under the Member for Communication and Works, who has petitioned this project. I am not saying that he does not have a right to petition, that is the right of anyone who cares to. The point that I am making is that he went in that area and found Government's property which had been earmarked for such projects as an Agricultural Pavilion.

It is unfortunate that for three years the farmers of this country have not been able to enjoy the show which has been recognised for many years by the people of this country. It gave farmers an opportunity to display the labours of their hard work for the year. As the Member knows, while I have worked very closely with him on this project and he with me, I have, more than once, suggested to him that I believe the bull should be taken by the horns and that it be made known not only to those who have petitioned but indeed to the Department which is presently holding up the project that Government makes it clear to them that this is their property and that Government projects must continue. We cannot allow this in this country because we are setting a precedence which will now continue. I honestly hope that we can have something done so that we can get on our way, so that we can continue to assist the farmer. I believe that the Member should do his part and do as I have suggested.

While on the area of agriculture I would like to acknowledge what the Member said about me a few days ago. As I said to him earlier, I am prepared to work along with him to do whatever I can to promote agriculture in this country. Madam Speaker, I only wish that during the Budget of 1989 that we had had as close a working relationship as we enjoy today because the Member will agree with me that I suggested to him that we should try to have included in that Budget a sum for the purchase of property which could be sub-let to the smaller farmers.

Madam Speaker, I went as far as to take to Finance Committee the price which I understood a large piece of property was costing. However, at that time it was pushed aside. Later on in his efforts, I speak of the Member with responsibility, to promote agriculture, some specialists were brought in which I fully support, but the same recommendation which I had made free of cost was included in their report. It was too late. The fence was down and the horse was out. The property which was one of the major pieces of agricultural property in this country had already been sold into private hands.

What hurt me more than anything else was - today while I am happy that a Caymanian was in a position to purchase this land - to know that the Second Elected Member of Executive Council in his usual, nasty way in a debate of that Budget stood up in this House and tried to make me look like a fool. He said that he had spoken to a major shareholder of that property and that that property was not fit for goats to walk over. Madam Speaker, with his short knowledge of this Island and his short knowledge after so many years in education, I cannot tolerate him saying anything about agriculture but I would invite him, since he thinks that I was misleading the House, to take the time to drive up to see the impressive development which Captain Charles Kirkconnell is presently doing on the said property and he can decide if that land is only fit for goats to walk on.

I knew that was his usual way. He was only trying to embarrass me. Today the embarrassment is not with me because the same consultants which they brought in have made the recommendation which I suggested, the difference being mine was free and they paid for the consultants. But as I mentioned, and the Member well knows, I am constantly working along with him in this area. I have, since that time, made suggestions for other properties and I hope that he, the Member with responsibility for Agriculture, will not be misled by Members such as the Second Elected Member of Executive Council.

The Member for Agriculture must do his own thing. He must make that Second Elected Member understand that he has been given a much longer time than the Member for Communication in his Portfolio of Education and what has he done? The only thing is that he is constantly trying to tear down what the Honourable Truman Bodden had built up. We even hear now, Madam Speaker, that he wants to tear the Middle School down, one of the best things that ever happened to education in this country. But that Member finds it hard to see what is good. I believe that if the Government allows him to succeed in taking such action that we will have taken a retrograde step.

Madam Speaker, it seems to me that his main contribution, especially in this House, continues to be the ridicule of Backbenchers on whatever suggestions they may make, especially those of us who were a party to the 1976 Government which put him in moth balls. He continues to try in every way to degrade us. I would say only this: what men have done, men will do.

Madam Speaker, I would only say to this Member that he should search his record. What has he contributed to this country? I believe that this Member is knowledgeable enough if he could find a way to do what is right. But it is either that he knows and he does not want to do it or something of the sort. Madam Speaker, what hurts me is that he is the one politician in the country who hits us from the very roots because he has had an opportunity to do for our children and he has not. He has tried on numerous

occasions to embarrass me when I ask for sporting facilities in my district.

Regardless of what he may have in his mind and regardless of what he might have said on the Floor of this House to try to embarrass me, I would just like to say that when time passes my name will be engraved in my district. I have years of service to my people and I can honestly say to my people, not to myself. He cannot take the fact away that the first, although not full size, playing field in my district was put there by me.

MADAM SPEAKER:

Would you take the luncheon break now?

MR. JOHN B. McLEAN:

This is a convenient time.

MADAM SPEAKER:

The House will be suspended until 2:15 p.m.

AT 12:45 P.M. THE HOUSE WAS SUSPENDED

HOUSE RESUMED AT 2:18 P.M.

MADAM SPEAKER:

Please be seated. Proceedings are resumed. The Elected Member for East End continuing the Debate on the Budget Address.

MR. JOHN B. McLEAN:

Thank you, Madam Speaker. When we took the break I was dealing with a few matters that concerned the Second Elected Member for Executive Council and his Portfolio. Madam Speaker, I asked a question concerning sporting facilities for my district. I was told that the Government plans to purchase a plot of land this year for a new playing field for the district. Let me say that I have no objections to this. The only objections which I had were that I felt that as the Member for that district I should have been told about it.

I have, on more than one occasion, questioned the Member on trying to upgrade the present field in East End. I have been told that a certain area has a high salt content from the underlying ground water. I would like to say here and now it is my belief that if that area of that field had more top soil on it that the grass would no doubt grow. Contrary to what was said here, there is a certain area on that field that was never lifted properly with top soil and I do not intend to belabour the idea on the fields but my concern is that we need something in that district for the present.

The plans which the Member disclosed here about property being bought next year is something which we are looking at for the future. I have been contacted by some of the young men who use the field. I have been asked, once again, for proper lighting of the field and I have been asked that something be done to the area without grass.

As the Member knows there are at present some lights on the field but the ones used there are just common street lights and they do not reflect the way they should. The reason I was given why the proper lights were not put there was because Government was looking at developing a new field. As I said I am not objecting to that but what is wrong with properly lighting the present field and at a time when we have the correct field, that is a big enough field, we could have the lights removed and placed on the new field. I cannot see the rationale behind not wanting to light the field and the flimsy excuse which I constantly receive. But, Madam Speaker, I assure the Member in charge that as long as I am in this House, contrary to his negative attitude to me when I question him on this matter, I will continue to press forward until I see proper sporting facilities in my district even if it is not until 1992 when we have perhaps a new face responsible for his Portfolio.

Madam Speaker, for whatever reason, it seems to me as if whatever that Member can do against Backbenchers, he gets a kick from doing so. I think something was said here again by the same Member with regard to a report on the water sports industry. From consulting my colleagues on this side it seems as if he is just being devious because we know of one meeting which was held, not of a second one which should have been held, prior to presenting this report. Madam Speaker, I think that my colleagues and myself will not be signing this report until he can further enlighten us as to why this avenue was chosen.

Madam Speaker, as is customary by myself, I always extend good wishes to our Civil Service and I wish to do so at this time. I am fully convinced that in the Civil Service today we have many capable and hard working individuals. I must say that I have been very concerned to see the way the Civil Service has been treated with regard to salary increases.

That brings me to the article which I read in today's paper where the Second Elected Member of Executive Council was again trying to smear one of my Backbench colleagues, the Member for Bodden, Mr. Haig Bodden, when he said that Mr. Haig was in shock over the fact that civil servants were receiving an increase in salary and that there was a proposal for new schools. Madam Speaker, when it comes to civil servants and salary that Member and previous Governments of which he has been a part, should never open their mouths because it was not until the 1976-1980 Government of which Mr. Haig and myself and others were a part, that civil servants were paid a decent salary.

The same goes for schools. That period will show that good schools were built like the type which he plans to discontinue, the Middle School. But that Member and his Government have nothing to brag about with salaries to the civil servants because I think it was in July when they were awarded an increase and what did we see and what did we hear? We heard that in order to be civil servants they were going to tax this country \$10 million. So in truth, what took place was that they were telling the poor civil servant, "I am giving you a raise but I will be taking it back in taxes." What is even worse is that 16 months later we

hear, "We are giving you a raise, it will only be five per cent although we know we owe you 10 per cent to 14 per cent and again, in order for us to pay you we have to bring \$10 million in taxes." Madam Speaker, I sum this up to bad management.

While on the civil servants let me also mention that I am far from being satisfied with what I heard here a few days ago with regard to the Department of Lands and Survey and a Caymanian civil servant who is being pushed in the back to facilitate a foreigner. Let me say that if that individual was not qualified I would be the first one to say let it be, we need the foreign labour. But my understanding is that when the individual who is now presently operating in Cayman Brac first came to this Island some of his knowledge was gathered from the Caymanian who since that time has even furthered his knowledge by going away on further training. Yet he is still being told, "In order to fill that position you will have to do this and you will have to do that."

This is why our Caymanian people constantly become fed up and the end result is that they resign. What really hurts me more than anything else is to know that the individual in charge of that Department, when answering a blunt question put to him by myself in a previous Finance Committee meeting, told me that there is definitely a personal discrepancy between himself and the Caymanian. So common sense should tell us that this individual Caymanian will never be able to fill that post as long as he has a boss who feels that way about him.

This is why when I questioned the Fourth Elected Member of Executive Council here the other day on this matter, he knew the situation and I was hoping that he would have answered me the way he knew the situation rather than listening to what the individual in charge of the Department was telling him at the time. My understanding is that nothing has changed since that day in Finance Committee. If anything the attitude of the person in charge is worse toward the Caymanian.

My understanding is this individual who is now in charge of the Lands Office in Cayman Brac does not have sufficient work and I am here to say whenever we find that we have a civil servant, especially one who we have had to bring in, who is no longer needed because we have a Caymanian capable of taking it, his terms with us should cease. Not to bring him back from Cayman Brac to Grand Cayman to keep a Caymanian out of a position. This is wrong. The Government is preaching one thing through the corner of their mouths and doing the other. We will never, ever reach a position in our Civil Service where Caymanians are in charge of the top if this sort of attitude must continue.

The poor Cayman civil servant, the first thing he is told is that he is not supposed to speak to a politician. Regardless if an individual is a civil servant or if he works in the private sector, he, at election time, places his vote where he believes it is best and I think that he has that right to speak to whomever represents him. This stupidity about penalising civil servants because they speak to politicians, we must get away from. It is the only recourse which some of them have today.

Madam Speaker, I wish now to deal with a few things which I sat back here and listened to the Third Elected Member of Executive Council say about Members on this side of the House. He accused us of not wanting to support tax measures and that we constantly bring Government our shopping list. Let me say we as Members on this side of the House have as much right to look out for our constituency as he does sitting on the other side.

The people have elected us to come here and to beg for them and as long as I am here I will continue to bring lists, regardless if he calls them shopping lists or whatever. That is my duty. But, Madam Speaker, what hurts worse is the fact that when some of us get our shopping lists filled, for example in my case, the general public knows who has stood in this House for many years trying to get an ambulance for the eastern district and when I was able to have the votes in Finance Committee from the Backbenchers to do so, what did he do? He came from behind and because he is now the Member, he has stationed the ambulance in North Side. So he should be the last one to talk about our shopping lists.

I would also like to point out to him concerning what he said about Backbenchers trying to overthrow Government. I would say this much if Backbenchers could have overthrown the Government, perhaps we would be doing this country justice to overthrow him because at least we would not see a country being burdened with things such as a split-site hospital which we cannot afford at this time and which it seems he is hell-bent on going ahead with.

But I have never tried to overthrow a Government. That is a term you hear in dictatorships or in communist countries. The only thing that I know which my Backbench colleagues and myself did was to go from district to district and to tell the people what this Government did not do and that is to tell them the truth about the national issues of the day such as Cayman Airways, the Master Ground Transportation Plan and his Mount Sinai Hotel Hospital. I have no apologies for that. We did our job. But what is sad is to know that they, the Government, tried in each of our individual districts to tell our people that we were lying and to paint a picture which, by God, I am so happy that we have been proven right. The people know this. The people by this time knew exactly who was telling lies.

Madam Speaker, on district projects, again, for a long time I have been trying for some much needed road work in my district, from Frank Sound on. I am glad to say that something is happening. I cannot say when it will finish but I am asking that again a more serious look be taken on this matter because the funds which are presently in the Budget cannot do what is needed to be done on the road going to East End. I appreciate what is in there but as I have said before, my people are no different from anywhere else. We pay the same taxes and we should reap the same benefits as any other district. The Members in Executive Council are aware that what I am saying is correct. But it seems as if very little is being done.

I must also speak of the other projects which have been hanging for almost two years now, that is the ramp in Gun Bay. The reason for this hold up is a very poor one. It is my understanding from the Government that Planning is saying that it is dangerous to put a ramp on one side of the road and parking on the opposite side. Were this ramp will be built is in Gun Bay. We have, right here in George

Town down by the Lobster Pot, a ramp on the seaside and parking on the other side. Here in George Town, I need not say what traffic is like throughout the day, completely different than what it is in my district. It is good for George Town but I cannot get a ramp in Gun Bay.

Madam Speaker, this is far from being right and it is far from being fair. Again, I continue to urge the Member to get this project underway as soon as possible. This is necessary. It is in an area where if we should have problems out at sea it will be the ideal point for, say, the Port Authority to launch boats. I would further suggest that a further project for my district be taken on as soon as possible and this is one to provide additional space for burial ground. It is a fact that throughout the Island we are now short on the type of land which has been used over the years for burial grounds. I am aware of an area in my district which at present could be utilised for this and I am inviting the Government to try and negotiate to purchase this piece of property for the future.

Madam Speaker, before I come today to the end of my debate I am going to take the time to do as a Member of Executive Council did a few days ago ensuring my achievements which his Portfolio had done for this country. I would say that in the case of my district and my achievements, if there had not been so much politics played since 1985 there could have been greater achievements.

Madam Speaker, one of the early achievements in my district was to provide my people with a proper place where they could be treated and to have proper medical facilities. That was shortly after I was elected that I embarked upon trying to get a clinic for that district. I also tried and got a play field which we found to be too small and in turn was turned into a district park of which my constituency can be justly proud. I would say that we are probably one of the few districts which has such a lovely area where we can have district functions.

Also in Gun Bay there is a small park area. The road to my district and through my district was done over during my time in office. A farm interior road was built. John McLean Drive and its extension was built. A by-pass road, John McLean Drive to Church Street was built. Burial ground property was purchased and a caretaker was put in place. A face lift was done on the property adjoining the Town Hall and converted into proper parking. A beautiful Civil Centre was constructed and a few days ago you will have heard the Second Elected Member from Executive Council trying to claim the fame for that building. But the people know who tried and who got that building.

I also got ramps in my district. I take some of the fame for the Queen's Highway. I had the channels in my district cleared and some marked. I was influential in getting a bulldozer for the farmers. I have done much to get help for the elderly. As I pointed out a while ago, I tried very hard and succeeded in getting an ambulance for the eastern district which was later taken by the Member for North Side.

I also had placed in the district the first social worker who was there full-time. I would add at this point this is what we need today, not only in my district but throughout the districts in the various parts of the Island. I had the Police Station upgraded and more police officers in the district. The Post Office was upgraded. Land was purchased for a cemetery in Gun Bay and also land was purchased for a hurricane centre which I hope in the future will be constructed.

The Sunrise Cottage was another of my projects. The playing field by the Primary School was purchased during my time. The Fire Station in Frank Sound I also take some claim for and of course, the other Members of the 1976-1984 Government. So, Madam Speaker, when I hear some of the Members clapping their chests and talking of what has been done, I too, have a record of trying for my district. I too will continue to do whatever I can to promote my district and to get all of the necessities for it. I do not have to wait until an election year to do this because this has always been my way ever since I have been in here.

Madam Speaker, it is my hope that when we go into the Finance Committee in a day or so from today that we will be able to sit down like sensible men and to look at the needs of individual districts and try to attend to some of them. It is my hope that during that meeting we will be able to decide as to where this country's finances are heading.

Madam Speaker, I honestly believe that the Honourable Financial Secretary is doing all in his power to keep the finances of this country on the right course but it is also my opinion that his hands are filled.

Thank you, Madam Speaker.

MADAM SPEAKER:

Thank you.
The Honourable Third Official Member.

HON. J. LEMUEL HURLSTON:

Madam Speaker, permit me to offer my customary brief contribution to the Second Reading Debate on the Appropriation (1992) Bill, 1991. I promise I shall be brief. I would like to confine my remarks primarily to a few areas of the Civil Service and to offer a contribution which I trust Members will find informative and helpful.

If I may begin first with a few remarks about the Government's training programme for its Members of staff, that is training for serving civil servants. The Government continues to be committed to the development of its human resources and views training as one of the most important investments. The objectives of training within the Government Services are:

1. To promote learning, develop the mind and broaden cultural and scientific horizons and to develop the disciplines of study of any subject for the furtherance of public policy.
2. To improve systematically the ability of officers to perform the duties of their posts at a higher standard of efficiency on first appointment during probation and to prepare them for higher

responsibility during the course of their careers.

3. To provide for localisation of the Service as rapidly as is consistent with the maintenance of appropriate standards of efficiency and expertise.

4. To create a learning environment which is the responsibility of and closely involve managers so that skills and knowledge can be acquired including the understudy of experienced officers.

5. To create a sound analysis of tasks and needs.

There are four basic categories of training course available in this public sector. These are:

1. Short Term Training Courses - up to three months in duration.
2. Medium Term Training Courses - up to one academic year.
3. Long Term Training Courses - more than one academic year.
4. Local On-the-Job Training Courses and Off-the-Job Training Programmes.

In 1991 fiscal year, \$386,000 was approved for this type of training. Officers currently engaged in training courses consist of 18 officers on Long Term Overseas Courses; three officers on Short Term Overseas Courses; and 83 officers engaged in four types of On-the-Job Local Training Programmes. These are 18 officers engaged in the Attorney-at-Law and Diploma in Legal Studies Programme; 35 officers engaged in the Association of Accounting Technicians Programme; 14 officers engaged in an Executive Officers Course; and 16 officers engaged in an Advanced Clerical Officers Course.

In addition to this training, other training activities of the Personnel Training Unit include: Training of Trainers Course for 39 officers in 1991; the training of an Advanced Training of Trainers Programme for 20 officers; two Basic Clerical Officers Training Courses for 25 officers; four Customer Service Relation Courses for 53 Immigration Officers; and one Customer Service Relation Programme for 15 officers from various department.

Five officers recently completed long term training courses in the following areas: one officer in Environmental Health Inspection; one officer as a Pharmacy Technician; another officer in Surveying and Technology; another officer as a Computer Systems Technician; and one officer in Teacher Education.

Secondly, if I may, I have a word to say on the question of Caymanianisation within the Public Service and the localisation of posts. Within the last two years some considerable progress has been made towards the Caymanianisation of positions within the Civil Service. An example of these would be positions which were previously filled by persons on overseas contract that are now filled by Caymanians. I should just like to give a few examples.

In September, 1990 the post of Director of Tourism was occupied by a Caymanian. In the same month a Caymanian understudy was placed in the position of Director of Planning to understudy the Director and has recently, substantively succeeded the Director in that post.

Caymanians now occupy the position of Principal at two schools in Cayman Brac, the Creek Primary School and the West End Primary School. A number of medical and teaching positions previously filled by persons on contract have been subsequently filled by Caymanians. A number of positions in the Social Services Department such as social workers previously filled by contracted officers have been filled by Caymanians, and a position of Civil Engineer, normally filled by a person on contract, was filled by a Caymanian.

Additionally, the post of Hospital Accountant was recently filled by a Caymanian. The position of Inspector of Banks has been designated to filled by a Caymanian in January. The position of Deputy Clerk of the Courts Supernumerary has been filled by a Caymanian and a number of other positions, as I mentioned earlier, in the medical and environmental health areas.

That gives just an indication that slow the progress though it may be, there is some progress towards Caymanianisation. I accept those who feel that the rate of Caymanianisation is not rapid enough, however, as I mentioned in my opening remarks regarding the policy of training and development of human resources, localisation can only take place at the rate at which officers are capable of absorbing the programmes and gaining the necessary experience for promotion.

The next area I would like to touch on very briefly is to give a description of something which the Honourable the First Official Member touched upon in his Budget Address when he mentioned that Government intended to undertake a job evaluation scheme next year. I believe he mentioned that we would be using a particular model called the Hay Model. I thought perhaps the House might be interested in having a brief description of what this job evaluation scheme is likely to entail.

Job evaluation is concerned with assessing the relative demand of different jobs within an organisation. It provides a basis for relating differences in pay rates to differences in job requirements. Job evaluation does not determine actual pay but can be a tool used to help in the determination of a pay structure.

It is a system which breaks down jobs into various components

and involves a panel of evaluators to ensure consistency making judgements about the relative size of jobs. These judgements are based upon job understanding against a common set of criteria involving problem solving, know-how, human relation skills, accountability, impact of job, on end results. Evaluation is therefore based on job content, that is what the job has to do and to achieve.

Information on job content comes from job descriptions and evaluators are fully familiar with the organisation. Evaluators are able to provide a level of knowledge of the jobs to support valid judgements concerning the job based upon the true content of jobs. Judgements need to be disciplined within a systematic framework which facilitates consistency and fairness. People are not evaluated, only the job is systematically reviewed in order to identify relativities through a common basis of measurement.

The Hay Scheme requires a steering group of civil servants to oversee such a project which should be undertaken commencing in 1992. The Scheme requires about 10 to 12 persons to be trained in the Hay System and for them to benchmark a number of posts using the criteria mentioned above which they will then use as a basis for the assessment of all other posts establishing individual scores for each job.

Each panel will consist of four to six evaluators so not everyone will evaluate each job. Responsibility is thereby shared so that disruption to normal work is reduced. The scores of the evaluators are then used to develop remuneration policy and structure and can assist with rationalising the structures in line with recommendations made by Salaries Commissioners. That is the basic framework of a job evaluation scheme which we propose to commence.

My final remark in respect of the Personnel area of the Civil Service will be directed to the unit known as the Management Services Unit which recently celebrated its first birthday having been established September a year ago. This unit was designed and is designed to assist Government in effecting performance reviews and economies of productivity.

One of the areas in which the unit got very heavily involved throughout 1991 was the area of helping us to regulate and control the rate of growth within the Civil Service. The process used to do this was a systematic evaluation of all proposals for the creation of new posts, the examination of proposals for re-grading of existing posts, as well as the examination of proposals to fill existing vacant posts.

During this year approximately 150 such evaluations will have been completed. It is estimated that as a result of the Management Services review of these proposals that approximately \$250,000 will have been saved in personnel cost terms.

The Management Services Unit has a very ambitious programme prepared and approved for it by the Government and it touches upon most if not all branches of Government.

This year, for example, reviews were conducted in the areas of Computer Services, the Tourism Department, the Social Services Department, the Budget Office, a review of Government's overtime policies, etcetera. Ongoing reviews at the moment include a review of Central Purchasing and the commencement of the review of the Public Works Department.

Finally, I would just like to make one brief comment in respect of the matter of Immigration as it relates to the work permit statistics. We recently published the latest Immigration Statistics on Work Permits and regrettably one of the local papers, in carrying the press release on that subject, inadvertently quoted the wrong total.

I refer specifically to an article appearing on the front page of the seventy-second issue of *The New Caymanian* newspaper for the week commencing 29th November, with the caption "Work Permits Held at Year End, Expatriates on Decline?" The graph shows that work permits at the end of 1990 stood at a total of 7,277 and that at the end of September, 1991 the total had reduced to 6,559 portraying a possible decrease.

However, omitted from that statistic was the fact that in addition to those 6,559 regular permits as at the end of September, there were an additional 1,932 work permits in what is known as the "single term category", bringing the total permits as at the end of September to a record high of 8,491 permits or a 17 per cent increase in the first nine months of 1991. Having said that the permits have increased by 17 per cent in the first nine months of 1991, let me explain that the actual percentage rate of growth of new permits is reducing. For example, during the years 1984-1986 the annual rate of growth of work permits was 30 per cent annually.

During the period 1987-1990, the annual rate of growth declined to 25 per cent and for 1991 it is projected to have declined to 20 per cent annual growth so that one can see that the rate of growth of permits is actually reducing though the total number of permits may be increasing.

Madam Speaker, those were the few points that I wished to offer. I deliberately have stayed away from commenting on Members' contributions particularly those which provoked controversy. I did not feel like getting involved in a debate about how many lamp posts had been granted liquor licences or how many lamp posts had been awarded a street light.

I would simply like to close by endorsing the sentiments which were expressed to my colleague the First Official Member, to congratulate him on the style and content of his 1992 Budget Address, to congratulate his staff for the obvious hard work that has been put into producing the new format Budget and to say that I believe that the Civil Service has had an extremely busy year. We have all worked very hard but there is much more to be done. I believe that if there is any theme which could be associated with the Financial Secretary's message in his Budget Address, it would be, in my opinion, that we have done reasonably well, let us try to do better.

Thank you, Madam Speaker.

MADAM SPEAKER:

The House will be suspended for 15 minutes.

AT 3:15 P.M. THE HOUSE WAS SUSPENDED

HOUSE RESUMED AT 3:34 P.M.

MADAM SPEAKER:

Please be seated. Proceedings are resumed. The Honourable First Official Member winding up the Debate on the Budget Address.

HON. THOMAS C. JEFFERSON:

Madam Speaker, I was touched by the accolades thrown in my direction for the presentation of the Budget Address and the Budget which was laid on the Table of the 15th November. I accept those on behalf of my staff and myself.

During the contributions of Members to the Budget Address over the course of the last couple of weeks, I have noticed a number of common themes which have been addressed by the Members. These themes include the potential economic and social impact of the new revenue measures, the position on General Reserve Account and the Public Debt Statement, the growth in Recurrent Expenditure and the need for action oriented strategies in the area of national manpower training and development.

This list, Madam Speaker, is by no means exhaustive and I do apologise to those Members who may have raised other important points which are not included in this reply which I am trying to give. However, in the interest of time I have chosen to limit my comments to these four areas. That is Revenue Measures, General Reserves Account and Public Debt Statement, Recurrent Expenditure and Manpower Planning.

In terms of revenue measures, as I will speak in considerable detail to this issue at the time of moving the Miscellaneous Fees Bill which is presently before the House, I wish to delay further comment until such time. What I will say though is that while it may not be desirable to introduce additional revenue measures during periods of slower economic growth, it is important that any Government continue to maintain our traditional sound fiscal policy to endeavour to balance our budget now, in the past, or in the future.

Given the dynamics of the relationship between Government spending and Government revenue, it must be recognised that in order to inject money into the economy to stimulate growth, Government cannot always avoid revenue measures necessary to support such an action.

Over the past two weeks much has been said about the state of public finances and in particular about the levels of General Reserve and Public Debt. It might, therefore, be useful to Members and to the listening public in general to provide a background and an attempt to explain the rationale underlying the provisions and use of General Reserves and Public Debt, and to examine briefly, over the last 15 years, the facts relating to these two areas.

In the Caymanian context General Reserves have traditionally been used as a "rainy day fund", in the sense that successive local Governments have recognised that there will be good years when total receipts will exceed total expenditures and obviously, bad years when the opposite will occur. Therefore, General Reserves tend to accumulate during periods of relatively rapid economic growth and are quite often drawn down during periods of slower or negative growth.

For example, an actual General Reserve, as defined in the Annual Accounts of Government, stood at three per cent or 11 days of total expenditure in 1976; 23 per cent or 85 days of total expenditure in 1980; 12 per cent or 46 days of total expenditure in 1984; 13 per cent or 48 days of total expenditure in 1988; and is estimated to be 10 per cent or 38 days of total expenditure at the end of 1991.

Governments of the past and of the present have tended not to adopt as an explicit policy a targeted level for either General Reserves or Public Debt. I believe the time is at hand when some policy along these lines are necessary and that Government should consider laying down a policy in respect of General Reserves. I believe that when the Government is in a position, and we talked about rapid economic growth earlier, to add to this General Reserve it should at least be built up to sustain three months of total expenditure of any particular year.

Likewise, I think there is also a need in good years to think in terms of establishing a Capital Fund and to create a Fund which one day will be built to a level that some Capital Expenditures can be made from it.

A number of Members have also spoken of the growth in Recurrent Expenditure and more specifically on the growth in Personal Emolument Expenditures. As was highlighted in the 1992 Budget Address, it is important that Government look critically at this area. However, it should be borne in mind that the growth in Recurrent Expenditure is directly driven or pulled along, in many instances, by the growth in Capital Expenditure.

The 1992 Budget shows that Capital Expenditure as a percentage of Total Expenditure, is expected to decrease from 11.5 per cent in 1991 to 10.2 per cent in 1992 which represents an overall decrease in Capital Expenditure of approximately 10.7 per cent over the 1991-1992 period.

Over the same period however, Recurrent Expenditure as a percentage of Total Expenditure is expected to increase from 82.7 per cent in 1991 to 83.5 per cent in 1992 which represents an overall increase of 3.3 per cent.

Madam Speaker, what is instructive about this data is that even though there has been a reduction in the size of the Capital Expenditure, we are still investing \$13.3 million additional in Capital during 1992 than we did during 1991.

In effect, the total amount of \$13.3 million represents growth, the

majority of which is directed towards the construction of hard projects such as the Red Bay Primary School, the Prison Expansion Works, the airport Customs Offices, Phase II of John A. Cumber Primary School, the Spotts tourist landing facility and through the acquisition of properties such as Pedro Castle.

All of these have associated operating and maintenance costs such as personal emoluments, supplies and materials, utility expenses, etcetera, which in turn drive the Recurrent Expenditure side of the Budget upwards. So when we speak of the growth in Expenditure it is incumbent upon us to bear in mind at all times the very close and dynamic relationship between Recurrent and Capital Expenditure.

For example, if we were to subtract the New Services portion of the 1992 Recurrent Expenditure, the 3.3 per cent growth in Recurrent Expenditure, which I noted earlier, would fall to 1.3 per cent or a \$1.4 million increase in Recurrent Expenditure which is less than that proposed Civil Service pay award of approximately \$3 million.

Taken at face value the increase in Recurrent Expenditure, not discounting the effect of the transfer of Special Expenditure to Capital Expenditure, is substantially less than the 1992 projected inflation rate of 10.4 per cent.

Speaking of Manpower Planning, the 1992 Budget Address, I think, formally announced the new Manpower Development Section being established in the Economic Development Unit, which I am sure all Members realise is part of the Finance and Development Portfolio.

Unlike similar agencies which already exist in the Government Service, this new Section will focus primarily on key manpower training and development needs at the national level with the twin imperatives of promoting the maximum enhancement of indigenous human resources and maintaining and/or improving competitiveness and productivity, particularly in the key sectors of our economy.

Therefore, in order for this work to be effective, it is important that we gain the continued support and co-operation of all public and private sector institutions involved in manpower training and development in the Cayman Islands.

Madam Speaker, initially we proposed that the Section's main efforts will be directed towards the development of a labour market information system which will be used to underpin the formulation and implementation of manpower training and development policies and programmes specifically geared to the needs to the local economy.

Madam Speaker, I do not propose to make a long speech this afternoon but before I sit I would like to publicly thank the Inspector of Banks, Mr. John Atkinson, whose tour of duty is coming to an end within a few weeks. I believe that he has made a major contribution to the banking industry of this country and I believe the arrangements which we have had in place of recruiting a banking inspector under the auspices of the International Monetary Fund from the Bank of England has served us, perhaps I should say more than well.

But there is always a day when these institutions decide that the assistance which has been going on for the last 10 or 12 years should come to an end. It is the price of progress, it is the price of success. We have worked out an arrangement directly with the Bank of England that that arrangement which we now have in place will continue except that we deal directly with the Bank of England rather than going through the International Monetary Fund.

I was pleased too, to be able to recommend that Miss Jennifer Dilbert succeed Mr. John Atkinson and also to arrange that a Deputy for Miss Dilbert be seconded from the Bank of England. He arrived in September and in her terminology he has his feet on his desk and is settling in with grand style.

So, Madam Speaker, may I thank all Members for their accolades and I even accept with some degree the sympathies offered by one of the Members. I am sure it is a genuine offer.

I believe, having spent some time in the Financial Secretary's chair, it is perhaps the most challenging post that you can find in the Cayman Islands for a variety of reasons. I hope that one day when I leave that particular chair that the majority of the people residing and living in the Cayman Islands would at least say, "He did a fair job."

Thank you, Madam Speaker.

MADAM SPEAKER:

The question before the Honourable House now is that the Appropriation (1992) Bill, 1991 be given a Second Reading.

QUESTION PUT: AGREED.

THE APPROPRIATION (1992) BILL, 1991, GIVEN A SECOND READING.

STANDING ORDER 63(3)

**THE APPROPRIATION (1992) BILL, 1991,
TOGETHER WITH THE DRAFT ESTIMATES OF REVENUE AND EXPENDITURE,
STOOD REFERRED TO THE STANDING FINANCE COMMITTEE.**

MOMENT OF INTERRUPTION

MADAM SPEAKER:

The Appropriation Bill, together with the Estimates, now stand referred to the Finance Committee. There is no other Business on the Order for today. I can now call for the adjournment.

ADJOURNMENT

HON. THOMAS C. JEFFERSON: Madam Speaker, I move the adjournment of this Honourable House until Finance Committee is ready to report back to this Legislature.

MADAM SPEAKER: The question is that this Honourable House do now adjourn until Finance Committee is ready to report back to this Legislature. Those in favour please say Aye...Those against No.

AYES.

MADAM SPEAKER: The Ayes have it. And, it is understood that Finance Committee will be meeting tomorrow morning at 10:00 o'clock. The House is accordingly adjourned.

AT 3:52 P.M., THE HOUSE STOOD ADJOURNED SINE DIE (I.E. UNTIL SUCH TIME AS FINANCE COMMITTEE IS READY TO REPORT TO THE HOUSE ON THE APPROPRIATION (1992) BILL, 1991, AND THE DRAFT ESTIMATES OF REVENUE AND EXPENDITURE).

**WEDNESDAY,
11TH DECEMBER, 1991
2:28 P.M.**

MADAM SPEAKER:
Services.

Prayers by the Honourable Member for Health and Social

PRAYERS

HON. D. EZZARD MILLER:

Let us Pray.

Almighty God, from whom all wisdom and power are derived:

We beseech Thee so to direct and prosper the deliberations of the Legislative Assembly now assembled, that all things may be ordered upon the best and surest foundations for the glory of Thy Name and for the safety, honour and welfare of the people of these Islands.

Bless our Sovereign Lady Queen Elizabeth II, the Queen Mother, Philip Duke of Edinburgh, Charles Prince of Wales, Diana Princess of Wales and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, the Members of Executive Council and Members of the Legislative Assembly that we may be enabled faithfully to perform the responsible duties of our high office.

All this we ask for Thy great Name's sake, Amen.

Let us say the Lord's prayer together:

Our Father who art in Heaven, Hallowed be Thy Name, Thy Kingdom come, Thy will be done in earth as it is in Heaven; Give us this day our daily bread, and forgive us our trespasses, as we forgive them that trespass against us; And lead us not into temptation, but deliver us from evil; For Thine is the Kingdom, the power and the glory, for ever and ever. Amen.

The Lord bless us and keep us: the Lord make His face shine upon us and be gracious unto us: the Lord lift up the light of His countenance upon us and give us peace now and always. Amen.

MADAM SPEAKER:

Please be seated. Proceedings are resumed in the Legislative Assembly. Presentation of Papers and of Reports. Suspension of Standing Orders.

PRESENTATION OF PAPERS AND REPORTS

SUSPENSION OF STANDING ORDER 64(7)

HON. THOMAS C. JEFFERSON:

Madam Speaker, in accordance with Standing Order 83, I move the suspension of Standing Order 64(7) to allow the First Official Member to report on the Finance Committee.

MADAM SPEAKER:

The question before this Honourable House is that in accordance with the provisions of Standing Order 83 that Standing Order 64(7) be suspended to enable the Honourable the First Official Member, Leader of Government Business to report to this Honourable House the Report of the Standing Finance Committee on the Appropriation (1992) Bill, 1991.

QUESTION PUT: AGREED.

**STANDING ORDER 64(7) SUSPENDED TO ENABLE THE
HONOURABLE THE FIRST OFFICIAL MEMBER TO REPORT THE
REPORT OF THE STANDING FINANCE COMMITTEE ON THE
APPROPRIATION (1992) BILL, 1991.**

SUSPENSION OF STANDING ORDER 72(5)

HON. THOMAS C. JEFFERSON:

Madam Speaker, I now move the suspension of Standing Order 72(5) in accordance with Standing Order 83 to allow the Report of the Finance Committee to be laid on the Table of this Honourable House without the minutes.

MADAM SPEAKER:

The question before this Honourable House is that in accordance with provisions of Standing Order 83 that Standing Order 72(5) be suspended to allow the Leader of Government Business to lay on the Table of this Honourable House the Report of the Standing Finance Committee without the minutes of proceedings.

QUESTION PUT: AGREED.

**STANDING ORDER 72(5) SUSPENDED TO ENABLE THE REPORT
OF THE STANDING FINANCE COMMITTEE ON THE
APPROPRIATION (1992) BILL, 1991, TO BE TABLED WITHOUT
THE MINUTES OF PROCEEDINGS.**

REPORT OF THE STANDING FINANCE COMMITTEE ON THE APPROPRIATION (1992) BILL, 1991,

**AND DRAFT ESTIMATES OF REVENUE AND EXPENDITURE
OF THE CAYMAN ISLANDS GOVERNMENT FOR 1992**

MADAM SPEAKER: Report of the Standing Finance Committee on the Appropriation (1992) Bill, 1991, and Draft Estimates of Revenue and Expenditure of the Cayman Islands Government for 1992.

HON. THOMAS C. JEFFERSON: Madam Speaker, I beg to lay on the Table of this Honourable House the Report of the Standing Finance Committee on the Appropriation (1992) Bill, 1991 and Draft Estimates of Revenue and Expenditure of the Cayman Islands Government for 1992.

MADAM SPEAKER: So Ordered.

HON. THOMAS C. JEFFERSON: Madam Speaker, as the proceedings of Finance Committee are aired on radio, I propose not to make a long speech in the presentation of the Report but to begin by saying that the Committee met on the 5th, 6th, 9th, 10th and 11th of December.

A number of persons were called in attendance to assist the Government in answering various questions put on matters or items in the Draft Estimates and the Committee approved the following Heads of Expenditure during those meetings:

		Approved (C\$)
Head 1	- His Excellency the Governor	333,749
Head 2	- Cayman Islands Audit Office	325,830
Head 3	- Public Service Commission	315,370
Finance & Development		
Head 4	- Finance and Development	10,261,298
Head 5	- Banking Supervision	436,910
Head 6	- Customs	2,253,553
Head 7	- Insurance	943,132
Head 8	- Legislative	1,213,241
	(i) Increased by \$1,500 (Sub-Head 02-008 Motor Car Upkeep Allowance).	
	(ii) The "Speaker" to be included under "Summary of Existing and Proposed Establishment".	
Head 9	- Marine Survey	412,947
Head 10	- Registrar General	415,834
Head 11	- Statistics	354,650
Head 12	- Treasury	654,671
Judicial		
Head 13	- Judicial	1,594,175
Legal Administration		
Head 14	- Legal	1,151,888
Internal & External Affairs		
Head 15	- Administration - Internal and External Affairs	897,259
Head 16	- Broadcasting	724,866
Head 17	- Immigration	1,856,543
Head 18	- Police	7,505,223

Head 19	- Prison	3,685,053
Head 20	- Personnel & Office Services	6,065,559
Head 21	- District Administration	2,698,351

Tourism Aviation & Trade

Head 22	- Administration - Tourism Aviation & Trade	730,268
Head 23	- Fire Service	3,357,297
Head 24	- Tourism	12,702,366
Head 25	- Trade and Labour	208,483

Education Environment Recreation & Culture

Head 26	- Administration - Education, Environment Recreation & Culture	3,833,491
Head 27	- Education	14,168,200

Health & Social Services

Head 28	- Administration - Health & Social Services	11,112,720
Head 29	- Medical Health Services	0
Head 30	- Social Services	3,212,026

Communications Works & Agriculture

Head 31	- Administration - Communications Works and Agriculture	1,169,886
Head 32	- Agriculture	1,481,255
Head 33	- Mosquito Research and Control	1,735,355
Head 34	- Lands and Survey	1,337,525
Head 35	- Planning	1,251,998
Head 36	- Postal	1,077,180
Head 37	- Public Works	5,592,055

Capital

41	- Capital Acquisition	2,398,802
51	- Capital Development	5,511,688

New Services

Personal Emoluments	1,146,104	
Recurrent	938,888	
	-----	2,084,992
Capital Acquisition	524,206	
Capital Development	4,901,091	
	-----	5,425,297

		7,510,289

TOTAL EXPENDITURE:

C1\$122,490,986
=====

HON. THOMAS C. JEFFERSON: And, Madam Speaker, that is the Report of Finance Committee.

MADAM SPEAKER: The Appropriation (1992) Bill, 1991 is set down for Third Reading. Before that we have to accept the Report. Members have heard the Report and you have had copies of it. The question before the House is that the Report of the Standing Finance Committee be accepted.

QUESTION PUT: AGREED. THAT THE REPORT OF THE STANDING FINANCE COMMITTEE BE ADOPTED.

THE APPROPRIATION (1992) BILL, 1991, WAS ACCORDINGLY SET DOWN FOR THIRD READING.

MADAM SPEAKER: Continuing Presentation of Papers and Reports. The Development and Planning (Amendment) (No.2) Regulations, 1991. The Honourable the Elected Member responsible for Communications Works and Agriculture.

THE DEVELOPMENT AND PLANNING (AMENDMENT) (NO.2) REGULATIONS, 1991

HON. LINFORD A. PIERSON: Madam Speaker, in accordance with Standing Order 18 and section 35(3) of the Development and Planning Law (Revised), I beg to lay on the Table of this Honourable House the Draft Development and Planning (Amendment) (No.2) Regulations, 1991.

MADAM SPEAKER: So Ordered.

HON. LINFORD A. PIERSON: Madam Speaker, I intend to speak more fully on this amendment during the moving of the resolution under Motion No.8/91 which is set down on the Order Paper at a later stage.

Thank you.

MADAM SPEAKER: Thank you. The Development and Planning (Amendment) (No.3) (Fees) Regulations, 1991. The Honourable the First Official Member responsible for Finance and Development.

THE DEVELOPMENT AND PLANNING (AMENDMENT) (NO.3) (FEES) REGULATIONS, 1991

HON. THOMAS C. JEFFERSON: Madam Speaker, I beg to lay on the Table of this Honourable House the Development and Planning (Amendment) (No.3) (Fees) Regulations, 1991.

MADAM SPEAKER: So Ordered.

HON. THOMAS C. JEFFERSON: Madam Speaker, I propose to speak more fully to the paper which I have just laid when dealing with the Miscellaneous Fees Bill which should come this afternoon.

MADAM SPEAKER: Thank you. We next go to Questions. The deferred question No. 254, standing in the name of the Third Elected Member for George Town. The Third Elected Member for George Town.

QUESTIONS TO HONOURABLE MEMBERS

THE THIRD ELECTED MEMBER FOR GEORGE TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION, ENVIRONMENT, RECREATION AND CULTURE

NO. 254: Would the Honourable Member say whether all necessary repairs to school buildings, facilities and equipment were fully completed before the schools opened for the present school term?

HON. BENSON O. EBANKS: Madam Speaker, I am wondering whether the time being 2:45 p.m. if we should not, out of an abundance of caution, suspend Standing Orders for this question?

MADAM SPEAKER: I agree with you Honourable Member. First Official Member.

SUSPENSION OF STANDING ORDER 23(7) & (8)

HON. THOMAS C. JEFFERSON: Madam Speaker, in accordance with Standing Order

83, I move the suspension of Standing Order 23(7) & (8).

MADAM SPEAKER: The question before the Honourable House is that Standing Order 23(7) & (8) be suspended in order to entertain question from private Member.

QUESTION PUT: AGREED **STANDING ORDER 23(7) & (8) SUSPENDED TO ENABLE QUESTION NO. 254 TO BE TAKEN.**

MR. TRUMAN M. BODDEN: Madam Speaker, I would like to ask the question I repeated earlier No. 254.

THE THIRD ELECTED MEMBER FOR GEORGE TOWN TO ASK THE HONOURABLE ELECTED MEMBER RESPONSIBLE FOR EDUCATION, ENVIRONMENT, RECREATION AND CULTURE

NO. 254: Would the Honourable Member say whether all necessary repairs to school buildings, facilities and equipment were fully completed before the schools opened for the present school term?

ANSWER: Repairs to school buildings were completed before the beginning of the present school term. Only one facility was reported as being the subject of repair works after the beginning of the term. This was a cistern at the Home Economic Block of the Cayman Islands High School, which became contaminated and therefore unusable as a result of materials having entered into it from the repairs to the roof of the Assembly Hall. This was cleaned and filled with potable water on 26th September and the Home Economic Block resumed normal use on the same day.

At the George Town Primary School the renovations were not completed until the 4th October. Delay here was occasioned by delay in receiving planning permission. In the intervening time, classes were held in the Multipurpose Hall without any disruption to the School.

Similarly in the area of equipment the only situation reported where some difficulty was experienced was in the area of photocopier repairs. Funds for this had been reduced in this year's Budget (1991) as a result of reports of wastage and abuse. The PTA's of certain schools have assisted in this area during this year and the Chief Education Officer is now satisfied that efforts are being made to halt the abuse of these machines; so we are now in a better position to assess the need and an appropriate sum is included in the 1992 Budget to service this area of need.

SUPPLEMENTARY

MADAM SPEAKER: Supplementary. The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN: Thank you. Were there any repairs requested and not carried out beyond what you have mentioned in this paper?

HON. BENSON O. EBANKS: Not to my knowledge, Madam Speaker.

MADAM SPEAKER: If there are no further supplementaries we shall go on to Government Business. Bills, Third Reading.

GOVERNMENT BUSINESS

BILLS

THIRD READING

THE APPROPRIATION (1992) BILL, 1991

CLERK: The Appropriation (1992) Bill, 1991.

HON. THOMAS C. JEFFERSON: Madam Speaker, I move that a Bill shortly entitled the Appropriation (1992) Bill, 1991 be given a Third Reading and passed.

MADAM SPEAKER: The question before this Honourable House is that the Appropriation (1992) Bill, 1991 be given a Third Reading and passed.

QUESTION PUT: AGREED. **THE APPROPRIATION (1992) BILL, 1991, GIVEN A THIRD**

READING AND PASSED.

FIRST READINGS**THE FEES (MISCELLANEOUS AMENDMENTS) BILL, 1991**

MADAM SPEAKER: First Readings.

CLERK: The Fees (Miscellaneous Amendments) Bill, 1991.

MADAM SPEAKER: The Bill, having been given a First Reading, is accordingly set down for Second Reading.

THE TRAFFIC BILL, 1991

CLERK: The Traffic Bill, 1991.

MADAM SPEAKER: The Bill is deemed to have been read a First time and set down for Second Reading.

THE TAX CONCESSIONS (AMENDMENT) BILL, 1991

CLERK: The Tax Concessions (Amendment) Bill, 1991.

MADAM SPEAKER: The Bill is deemed to have been read a First time and set down for Second Reading.

SECOND READINGS**THE FEES (MISCELLANEOUS AMENDMENTS) BILL, 1991**

MADAM SPEAKER: Second Readings.

CLERK: The Fees (Miscellaneous Amendments) Bill, 1991.

MADAM SPEAKER: The Honourable the First Official Member.

HON. THOMAS C. JEFFERSON: Madam Speaker, I beg to move the Second Reading of a Bill entitled A Bill for a Law to Amend the Companies Law (Revised); The Customs Tariff, 1990; The Trust Law (Revised); The Patents and Trade Marks Law; The Public Recorder Law (Revised); The Births and Deaths Registration Law, 1978; and the Marriage Law.

The Objects and Reasons for this Bill is the Law increases certain fees prescribed by the Companies Law (Revised) and the other Laws which I have mentioned and it makes other consequential minor amendments to that Law.

In clause 2 dealing with the Companies Law (Revised) the Bill is amending section 40(2)(a) by deleting "two hundred and fifty dollars" and substituting "\$350" being the fee for a non-resident company. This is the annual fees payable to the Registrar of Companies.

The Bill also goes on in clause 2(b) to amend section 40(2)(b) by deleting "one hundred dollars" and substituting "\$200" for the annual fee of a resident company.

In section 187 where we deal with the annual fees of an exempt company we are deleting "four hundred and seventy-five dollars" and substituting "\$575".

It also deals with section 197(1) which is the registration fee charged to a foreign company. That fee is being increased from "\$600" to "\$850" putting it more in line with the registration fee charged on a an exempt company registration.

Under 197(2) we are amending also the annual fee charged to a foreign company by deleting "\$300" and substituting "\$500".

Madam Speaker, the Bill also deals with various alcoholic beverages such as beer, wine and liquor of less than 40 per cent alcohol or more than 40 per cent alcohol and I will come to that probably a little later.

What I believe is important to mention is that the \$100 increase in the annual fee for a local resident company, according to our records, was last changed in 1976. In terms of the foreign company fees, it was last changed by \$100 back in 1981. For an exempt company it was also changed in 1981 by \$100.

Madam Speaker, some economic indicators for 1991 suggest that growth in the Cayman Islands had slowed since 1990. By the end of the second quarter of 1991 fewer tourists had visited the Islands compared with the same period in 1990. The value of approved Capital Development for the first six months of 1991 was slower than for the first six months of 1990.

Changes in these and other economic indicators are indicative of the apparent trend towards a comparatively slower economic growth in 1991. Concern has consequently arisen

over future Government income flows as future Government revenues can be partly determined from the level and rate of economic growth.

When growth rates are high Government revenues generally experience higher growth rates. The opposite occurs when there are slowing economic growth rates. Therefore it has been necessary to identify how and where additional revenues can be generated in order to maintain Government Services now that the possibility exists that slower rates of economic growth may become a reality, potentially causing future Government revenue in flows to diminish.

The five areas with revenue generating potential have been identified. These are annual renewal fees for registered companies; duty on diesel fuel; duty on alcoholic beverages and tobacco products; and Planning Application and Building Code fees.

It is estimated that increasing the fees and duties on these five goods and services should produce between \$9 million and \$10 million in additional revenue in 1992, depending on the rate of growth in demand for the various goods and services.

The economic and financial implication of raising the level of taxation on these five existing revenue sources can be assessed in terms of three major factors:

- (a) The potential direct and indirect economic and financial implication for households and firms; (in other words consumers and producers).
- (b) The potential impact of the proposed revenue raising measures on economic activity; and
- (c) The potential impact of the proposed revenue raising measures on inflation in the Cayman Islands.

Perhaps most important to the general public is the impact of the proposed tax changes on their individual incomes therefore the first part of the analysis refers to the potential direct and indirect economic and financial implications for households and individuals.

Consumers will be affected by the proposed tax increases both directly and indirectly. The rise in duties levied on alcoholic beverages and tobacco products will have a direct impact on consumer budgets, at least on those who purchase alcohol and cigarettes. The increased fees for company registration and duty on diesel fuel will affect consumers in a more indirect manner. Planning Application fees and Building Code will have both direct and indirect affects on consumers.

Dealing first with the direct tax increases, Madam Speaker, beer, wine, spirits and cigarettes could all rise in price by as much as the incremental value of the tax. The exact size of the price increase will depend on the consumer's response to the price changes or the price elasticity of demand which has implications for future revenue collected.

In other countries where the so called "sin taxes" have been introduced it appears that in the short run consumers respond quickly to price increases by cutting back expenditure on that good. However, in the long term, with regard to alcohol and tobacco products, consumers tend to resume their old purchasing habits as the satisfaction which can be gained from consumption of the goods tends to outweigh the importance of the increased price. After a certain time lag pre-tax levels of demand are generally restored.

In past years data indicates that an increase in the level of duty on alcohol and tobacco products appears to have been followed after a time lag of up to one year by a slight reduction in demand for these goods, after a further time lag a restoration of the amount demanded.

After the 1987 tax increase, 1988 imports of beer, wine, and spirits grew by 21 per cent, 18 per cent and 58 per cent respectively. These growth rates were all lower than the 1987 growth rates of 40 per cent, 46 per cent and 81 per cent.

The tariff increases in October, 1990, were followed by a more rapid change in demand, so rapid that the 1990 growth figures were affected and most cases were below the 1989 growth figures. Wine imports were the exception to that.

Lack of appropriate data, namely the volume of goods imported has prevented an exact analysis of the effects of price increases initiated by tax changes on the demand for alcohol and tobacco products in the Cayman Islands.

In order to provide some information, three simple scenarios have been developed which may illustrate some of the possible trends in short and long term demand which may occur as a result of the price changes.

Taste and preference of consumers play a large role in determining the demand for alcohol and tobacco products. Product promotion, advertising campaigns, health awareness programmes, banning smoking in offices, etcetera, may have contributed to the shifts in demand for these products which have occurred since 1987.

However, the price increases following the tax changes could also have been an important factor causing the slower growth in demand witnessed in recent years. While this may be socially beneficial, permanently slower growth in demand for alcohol and tobacco products could lessen the revenue generating ability of the additional taxes and may possibly lead to lower revenues collected than originally estimated.

More study needs to be undertaken on consumer behaviour with respect to the consumption of alcohol and tobacco products to determine to what degree prices and other factors influence demand in the short and long term. This information could be used to assess how much

additional Government revenue can be derived from these tax sources in the future.

Increases in duty levied on alcohol and tobacco products will bring the price of these products in Cayman in line with the United Kingdom and Canada.

The revised Planning Application fees and new Building Code fees have been long awaited. The old fees for residential planning applications were described by the Director of Planning in his attachment to the 1990 Register of Fees and Charges. The new fees which bring an element of proportional taxation into the fee scale will still lead to a large change in consumer expenditure on planning fees.

Individuals at all income levels will find large percentage increases in their expenditure on planning fees as a result of the fee restructuring. These increases will range from \$341 to \$3,000 depending on the size of the residential property to be built. Even though the fee increases appear large, they are long overdue, are in fact bringing the price to consumers who benefit from the service provided by the Planning Department in line with cost of providing the service to ensure that development is controlled and meets public demand, planning controls need to be maintained.

It is unlikely that the fee increases will have a large impact on consumer behaviour as the increases merely inflate the fees in a one time period to a level at which they should have reached had they been annually revised to reflect the cost of providing the service. While some consumers may view the fee increases as excessive, they are not.

In terms of the impact on future development, there is not sufficient information available to quantitatively prove that there will be an increase or decrease in capital investment following the fee increases. Individual builders planning to construct an owner occupied dwelling will find sufficient funds to cover the increased fee payments. This however should not have any serious impact on individual income earner's wealth as most salaried individuals have incomes that have risen in recent years at least level with the rate of inflation.

The proposed new fees for pools other buildings, signs, fences, extensions, docks, dredging and after the fact submissions have all been altered to make the charges more close to line to the cost of service. Again these fee increases should not have a noticeable impact on individual income for the same reason given above.

Now, Madam Speaker, the indirect taxes. The planned increase in company fees and duty on diesel fuel will affect consumers as I have said before, indirectly. Firms faced with rising annual renewal fees to their company licences will likely pass on these increased costs to the consumer. All companies registered in the Cayman Islands pay company fees, therefore the across-the-board \$100 rise in fees may filter into small increased charges for goods and services in every sector.

If the price rises are kept small they may go unnoticed. There is the possibility however, that if the price rises are widespread, they have the potential to affect every household in Cayman. The rise in duty levied on imported diesel fuel will also affect all households, again through indirect means as it will cause electricity prices to rise. Caribbean Utilities Company (CUC) is the main user of diesel fuel in the Cayman Islands. It purchases approximately 90 per cent of all diesel fuel imported and we know that diesel fuel is one of the necessary inputs to produce electricity.

In 1990, Caribbean Utilities Company purchased approximately 13 million gallons of diesel fuel and paid \$3.26 million in import duty on that fuel. The proposed diesel fuel tax increase will double CUC's expenditures on diesel fuel import duty payments. Based on 1990 diesel fuel usage by CUC this will raise the tax paid per one kilowatt (kW) hour electricity produced from 16 cents or 0.16 cents to 0.32 cents.

Assuming that the same charge scale agreed in the current CUC licence applies in 1992 and the entire amount of tax for which CUC is liable is passed on to the consumer, then the minimum monthly payments for residents who are using 200 kW hours a month or 400, or 700, or 1,000 are as follows.

A household using 200 kW hours per month presently pays \$37. The increase in fuel will cost that particular household \$3.20. Another household using 400 kW hours is presently paying \$68 per month and as a result of the increase in fuel, the additional sum to be paid would be \$6.40. Another household using 700 kW hours per month presently paying \$114, the increase would be \$11.20. For those consuming 1,000 kW hours per month who are presently paying \$159, the increase would be \$16.

So if you look at it across the board of the illustrations given, the increase would be in the range of 10 per cent.

In this instance the demand for diesel fuel is a derived demand. Consumer demand electricity, as diesel fuel is a vital input into the electricity production process, consumers therefore, indirectly demand diesel fuel. CUC used 12.8 million gallons of diesel fuel in 1990 to produce 202 million kW hours of electricity. Assuming that CUC maintains the 1990 level of electricity output and consequently demands at least the same volume of diesel, the price to a household using 200, 400, 700, or 1,000 kW hours, consumers may expect an average increase of, I said 10 per cent before, it is more likely to be an average of 9.5 per cent.

So if we look at it percentage-wise, the household consuming 200 kW hours per month, the increase in the bill would be 8.6 per cent. For 400 kW hours, 9.4 per cent, for 700 kW hours 9.8 per cent and for 1,000 kW hours, 10 per cent.

**Additional revenues of between \$3.3 million and \$3.6 million could be raised as a result of the duty increase. As a consumer of electricity, Government will find its annual expenditure in electricity will rise also. We spoke about this during Finance Committee and that the provision still seems to be adequate. In 1989, Government paid \$1,164,985 to CUC of which only \$1,660 can be assumed to have contributed to diesel fuel. After the proposed diesel duty increases have been implemented, it is estimated that Government will have to pay an additional*

*\$2,004 in diesel duty per annum. Since incremental expenditures directly resulting from the tax amount to less than one-tenth of one percent of incremental revenue generated, Government can be assured of gaining substantially more than it will have to spend to raise the revenue. (*see Hansard of 13th December, 1991, page 1403)*

Hotels, restaurants and other large businesses are generally heavy users of electricity with large annual electricity bills. The Government example above indicates that the possible annual increase in duty to be paid will only be a very small percentage of the total electricity bill.

Diesel fuel is also used by dive operators, mini-bus tour operators and heavy duty equipment operators. At present, that is November, 1991, a gallon of diesel fuel costs, on average, \$1.61 at the pump. If fuel retailers passed the entire increase in diesel duty on to fuel buyers, this would raise the price of a gallon of diesel fuel to \$1.86. Diesel fuel will then cost, on average, around 18 cents a gallon more than regular, leaded gasoline.

The small tour operator and dive boat operator whose overhead includes vehicle maintenance and fuel may find that the increase in tax will have a noticeable impact on their total cost. It is assumed that the cost of converting diesel powered machines or vehicles to regular gasoline users will be too expensive an undertaking for the operators therefore they are more likely to absorb the cost of the fuel increases, or pass them on to the users of the product.

In the case of dive boat operators the increasing cost may be passed on, through increases in charges for water sports activities, to tourists. Mini-bus tour operators will also find their costs rising and again, rather than absorb all of the costs may pass some of the tax burden on to the tourist.

The estimated rise at the pump diesel prices of approximately 15 per cent will most likely only have a small impact on the construction industry as diesel costs account for a fractional amount of total cost. In fact users of heavy equipment in the construction field should be able to pass the burden of higher diesel cost onto property purchasers.

The business most likely to feel the effect of the increased taxes are the small, local companies where diesel fuel comprises a large portion of operating costs. These types of businesses include self-employed taxi drivers, small scale tourist excursion companies and small scale dive boat operators.

Increased planning fees will also indirectly add to the potential higher development cost in many sectors. Any business planning to physically expand or make alterations or renovations requiring Planning permission, will incur higher costs as a result of the fee increases. However, the fee increases in general, are not large and are merely being increased to take account of inflation which has eroded their revenue generating ability.

Some of the planned changes I could speak about later although it should be noted that this I may not deal with in a comprehensive way. The structure on which the fee changes have been based in most cases standardises the procedure of charging for Planning permission and building.

Hotels, for example, used to be assessed for Planning Application Fees on a per room basis. Therefore no distinction was made between large and small rooms in the charge levied. The new fees are based on square footage and brings the method of charging in line with other sectors.

The increased charge on commercial properties is five cents per square foot, that is from 15 cents to 20 cents per square foot. While this appears large in percentage terms, if you want to talk about it a 33 per cent increase it is still five cents, it will add only another \$60 in increased planning fees to plan 1,200 square foot commercial building.

The Building Code charges will add another \$360 to this figure. In actual dollar terms the increases are not large for the size of the buildings. The rise in fees levied on industrial buildings is 10 cents per square foot, having risen from 10 cents to 20 cents. Again this appears large in terms of percentage, 100 per cent, but in actual dollar terms will be of little significance.

Building Code fees for industrial buildings will be applied on the basis of 25 cents per square foot. In percentage terms this gives the impression that the increased fees payable will be large. Whereas the actual dollar increase will be a small fraction of total building costs.

The burden of the proposed revenue raising measures does not fall evenly on consumers and producers. Ultimately the majority of the tax burden falls on consumers directly through the purchase of alcohol and tobacco and increased Planning fees and indirectly both through large electricity bills and possibly slightly increased prices of all other goods and services.

Looking at the potential impact of the proposed revenue measures on economic activity, there are only five, so I would say they are few, yet it is intended that they generate approximately \$9.7 million in additional income. The planned incremental revenue to be generated by the new fees and charges were derived under two main assumptions.

Firstly, revenue collection systems will be as efficient in collecting the proposed additional revenues as they are at present.

Secondly, demand and supply of the goods and services and factors which may introduce demand and supply will remain as they are at present.

The first of these two assumptions is acceptable. The second is necessary but must be accepted with some caution. The volume of goods and services supplied in the economy may be assumed inter alia to be related to the saleability of demand for goods and services.

Consumer's demand for goods and services is dependent upon, among other things, the price of goods and the availability and price of close substitutes. The figure of \$9.7 million in incremental Government income has been estimated on the basis of continuing demand for the taxed

goods and services. The possible sensitivity of consumer demand to changes in the price of the four dutiable areas should be considered and the prospect of possibly lower demand and therefore lower than expected revenues investigated.

The overall impact of the proposed tax changes on the economy may be estimated by applying the concept of multipliers to the proposed changes. In the short term consumers may find a greater percentage of their income going to Government in the form of increased direct and indirect tax payments.

The phenomenon of rising Government revenues and falling individual incomes can be described as a tax multiplier which can be used to estimate the actual amount of income taken out of the economic system as a result of the tax increases.

As Government will not save the incremental revenue that is collected but will re-inject some of the revenues into the economy. This will contribute to growth in the national output. Economic growth or national output are functions of both private and public sector activities, therefore the reinvestment of a proportion of the income into the economy by the Government sector will act as an economic stimulant. The effects of the reinvestment by Government through planned Government expenditure can be quantified by the public expenditure multiplier.

As long as the negative income effects of the tax multiplier are at least balanced by the positive wealth effects of the public expenditure multiplier, the overall impact of the tax increases on national income will be negligible or positive.

We have estimated that the combined multiplier effect of the tax increase will approximately equal one, therefore it can be assumed that the fee and duty increases will have a neutral effect on the economy. In other words there will be neither added growth impetus, nor growth deterioration as a result of the proposed revenue raising measures.

Moving on to the potential impact of the proposed revenue raising measures on inflation. The annual percentage change in the rate of inflation at the end of the third quarter of 1991 was 6.6 per cent, having reached a peak of 9.9 per cent at the end of March 1991. The apparent slow down in the growth of the Consumer Price Index, which records changes in the cost of living, were mainly due to seasonality.

In summer months fruit and vegetable supplies from the United States generally increase and local demand declines due to off season slower demand and prices tend to fall. The large reductions which occurred in fruit and vegetable prices in the summer of this year were partially offset by increases in water and electricity prices.

While the quarterly inflation rate has slowed towards the end of 1991 without any Government intervention, it would be rash to assume that small anticipated increases in prices as a result of tax rate changes will not have an impact on future inflation rates. The Consumer Price Index (CPI) will be directly affected by any price increases possibly resulting from rises in the import duties of alcohol and tobacco.

These items have approximately only one-fifteenth of the weight assigned to food, housing, transportation and communications, and personal goods and services in the Consumer Price Index. So price increases will not have a largely significant effect on the measured rate of inflation. However, the new planning fees will cause the price of new house construction to rise.

The final impact on the rate of inflation will depend on the demand for new housing. Possibly increases in company fees and diesel fuel duty poses more serious potential cost push problems for the future rate of inflation. All producers of goods and services must register their companies and pay utility bills. Increases in the price of electricity and company fees will add to input cost not necessarily to any great degree but increased cost of production eventually leads to increased final prices.

If all of the small input cost increases are passed on to the consumer the price of food, housing, transport and communications, and personal goods and services will all experience small increases.

As all of these goods are heavily weighed in the Consumer Price Index the outcome may be a rise in the rate of inflation of one per cent. This may lead to further inflationary pressures as increased prices are transferred into other sectors of the economy. The danger of this type of inflation multiplier effect is more likely when hyperinflation is present, which is not the case at the moment.

In summary, the above analysis is based on many assumptions. Possibly the most crucial to the accuracy of this report is the assumption that retailers will behave after the tax increases as they did before the tax increases. In other words this assumes that, for example, as the duty payable on a package of 20 cigarettes increases by 20 cents, the price to the consumer will not rise by more than 20 cents.

If retailers decide to use this opportunity to push prices up above the level necessary to recoup the increased taxes paid in import duty, then the impact on individual incomes will be different to those outlined in this report.

Indeed, the prospect of an improvement in the rate of economic growth and a slow down in the rate of inflation could be lessened. Additionally, it is assumed that retailers will not try to make quick profits by raising their prices of alcohol and tobacco products before they have paid the increased duty on new imports.

Based on these and other assumptions, Madam Speaker, it appears that overall the five proposed revenue enhancement measures will likely have an economically neutral effect with a slight inflationary impact.

In terms of revenue raising capability, there is little doubt that anticipated gross Government revenues from company registration fees and duties for diesel fuel in 1992 will be close to actual collected revenues as these goods have no close substitutes and are apparently price-elastic in

demand.

The continuing taxation of alcohol and tobacco products on the other hand may be getting close to a critical level where the price of the product becomes the main determinant of demand. This level differs between individuals as it is based on individual incomes. However, if this point is reached, raising duties above the critical level will have the effect of reducing actual Government revenues as the goods become relatively too expensive compared to all other goods.

The future revenue raising capability of import duty on alcohol and tobacco products is therefore totally dependent on expected future demand for these goods. The effects of the anticipated price rises as a result of tax increases should be carefully monitored as consumer's reactions to the price rises are the best available indicator of future demand and therefore of potential future revenues.

The tax changes are not expected to have a great impact on economic growth whilst the proposed rise in the various levels of company fees are large in percentage terms, ranging from 21 per cent to 50 per cent, they will most likely have the least impact on economic growth. Most foreign and exempt companies will still find the fee to annually renew company registrations only a tiny fraction of annual profits accrued.

Foreign and exempt company fees are already more numerous in the Cayman Islands than in competing offshore Caribbean destinations such as the Bahamas. This indicates that price is not the only factor influencing companies to register in the Cayman Islands.

As an aside, in 1990 we registered more companies in this country than ever before in its history. We almost registered 3,900 companies and at the end of November, this year, we have gone past the 3,000 mark. So I think we are still appearing to be attractive to the outside world.

The rise in fees is therefore not expected to have a noticeable impact on the number of companies already registered here. An evaluation of the impact of increased fees on prospective new registrants would only be speculative and therefore has been omitted.

Duty on alcohol and tobacco products is unlikely to have any noticeable effect on overall economic growth. The diesel fuel duty increases are more likely to affect the economy as a result of the impact on the small income and fixed income earner. In particular, higher electricity bills will hurt the lowest income earner most. As we talked about earlier, a household using 200 kW hours will pay an increased sum of \$3.20.

However, as a proportion of Government revenues generated by the increased taxes are pumped back into the economy, for example as remuneration to civil servants, the multiplier effect on current and future national incomes should be sufficient to raise incomes and partly offset the increased bills faced by the individuals and firms.

In the medium term the complete tax package should have an overall neutral effect on the economy. The money that is drawn out of the system into the Government revenue should be injected back into the system by Government expenditures as civil servants salaries, capital projects, operational costs and transfer payments.

In the short run however, small scale businesses which are heavily dependent on diesel fuel as a non-substitutable input may find large percentage increases in their cost of production which sooner or later will be passed on to the consumer who may or may not wish to continue to use these goods and services.

Madam Speaker, I have gone on for a long time to talk about the effect of these tax increases to the consumer, to the firms, to the Government, on inflation, on Government income, on household expenditure and I believe that the patience of the Honourable Members is wearing thin if I continue any longer. I believe I could even say, with respect, that your patience may be wearing thin too, Madam Speaker. I therefore, sit down and recommend these increases to Members.

MADAM SPEAKER:

the Fees (Miscellaneous Amendments) Law, 1991

The question before the Honourable House is that a Bill entitled be given a Second Reading.

I think at this time we should suspend for 15 minutes.

AT 3:42 P.M. THE HOUSE WAS SUSPENDED

AT 4:02 P.M. THE HOUSE RESUMED

MADAM SPEAKER:

the Fees (Miscellaneous Amendments) Bill, 1991.

Please be seated.

Proceedings are resumed. Debate on the Second Reading of

The Second Elected Member for Bodden Town.

DEBATE ENSUED:

MR. G. HAIG BODDEN:

Madam Speaker, the First Official Member spent a long time in outlining the large tax package which the Government has put forward.

The message which I received is that those who will be hurt most by these increases will be the little man, the small businesses and those people on small incomes. These are the ones who will feel the pinch of this \$10 million tax package. Let us not fool ourselves. We are not dealing today

only with a \$10 million tax package. This country is still reeling from the effects of another \$10 million tax package put in about 16 months ago by the Government.

In addition to that since 1988 this present Government has also put in a third \$10 million tax package. I am certain if they were to add up all of the taxes which they have sneaked in through the back door, we would find that those taxes would amount to another \$10 million.

I have a list of them at home and did not bring it with me today but just to mention a few of them. There are the large hospital fees which we remember some time ago were going up every six months. There is rent on the postal boxes which the Member had promised to reduce and which were never reduced. His answer to that was to increase the postage rates. There are large aviation fees which the Member for Tourism encouraged the Authority which runs the airport to put in. There are the school fees.

The Government's own Statistics Office told us quite recently in July, 1991, that the education and medical expenses component of the Consumer Price Index continued to experience the highest quarterly price increase of 16 per cent. This was due to substantial increases in school and medical fees. Over the 12 month period the increase was 46 per cent for education and medical expenses.

There have been the Port fees which have gone up on more than one occasion. These Elected Members take refuge in the fact that the fees had not been increased in a long time because they never had spend-thrift Governments and no need for these fees.

If Members will check, they will find that every time this Government re-writes a Law, or changes a Regulation, or changes a policy, they find an excuse for increasing an existing fee or putting in some new fee which never existed before. So what we are feeling today is not the new fees but the result of the continuous increases which have hit this country since November, 1988.

In a recent Reader's Digest article there is a condensed story written by Malcolm S. Forbes Jr. who was at that time the Deputy Editor in Chief of Forbes Magazine. Amongst the economic myths that he exploded was the number one myth from which the Elected Members of Executive Council suffer. That myth is that the Government must raise taxes to reduce the deficit.

We have heard this from them from day one. They were going to cure the deficit 16 months ago with their large tax package. The Member is shaking his head because he did not know I knew that to be a truth of his. But it is not true. He will never cure the deficit. He will not even reduce it by his tax increases. You only have to look at the fiscal performance of this Government since 1988.

What is said in this article is that the worst response to the growing budget deficit would be to raise taxes. The worst thing the Government could do would be to raise taxes. This is the only thing the Elected Members know how to do and that is why this country is going to get rid of them because they will never be able to fix the economic woes that they have brought about. They wrongly believe that Government's revenues are the problem with this country.

Our problem is not the revenue because if you check the Government's statistics and I will not belabour this point, you will see that Government's revenues have risen steadily over the last 20 years or 30 years. In 1976 I think the revenue was \$13 million. In 1984 it was \$65 million and now we are looking at \$130 million. The revenues continue to rise. So the revenue has been growing at a healthy average rate.

What is wrong is that the present Government, this spend-thrift Government is not able to contain its expenditures and so as the Financial Secretary pointed out in the Budget Debate, the expenditures are getting way ahead of the revenue.

It is my contention that this Bill which is before the House and which will give this country a substantial tax boost, will hurt this economy by raising the price that the people of this country are paying for being productive, the price that they are paying for being successful business people and good managers.

The Financial Secretary in opening the debate on this Tax Bill mentioned that when growth rates are high Government's revenue will be high. This is true. My contention is that the Elected Government is not giving this country a chance to have economic growth, to have high growth rates which can produce the high revenue which would be possible if their policies were different.

Despite the large tax increase of \$16 million 16 months ago we still have a deficit of \$18 million to worry about. Last year they tried to help that by borrowing all of the money for capital projects, \$14 million, and that money will now have to be repaid with interest.

Today they believe that a new tax package proposed by the Bill which is before the House of \$10 million will make us better off in 1992 than we were at the end of 1991. Yet we see the projections for 31st December are that if it were not for the new tax measures, if it were not for the depletion of our reserves, and if it were not for other emergency measures we would have a deficit of \$15,891,115.

Now why is this \$10 million tax package worse than the \$10 million that they put in 16 months ago and the other increases which they have put in piecemeal since 1988?

Well, this is worse because this comes on top of an already very high tax rate. I believe that this Government does not believe in prosperity. They feel that this country should only know days of adversity because what they are doing is taking away the cash which the citizens of this country should save. It would be interesting if we could get statistics on the savings accounts of the people of these Islands over the three years since this spend-thrift Government took over.

So while we have had normal expansion in the revenue, we have seen galloping expenditure. This Tax Bill is not the answer. The answer to Cayman's red ink is obvious. Government must spur economic growth. Government must curb its spending. Government must create new jobs and the people must get rid of Members like the Member for Education and some other Elected Members who believe they are doing right when all the statistics are against them.

Capital spending by businesses is what is needed in this country because every time we increase a fee in the type of economy we have, we become less competitive. We are dependent on tourists, we are dependent on offshore investments and every time we put up the cost of these fees, we become less competitive.

The Government seems to believe that putting aside income in a bank is wrong or bad for the economy. They believe that if they can milk the little man because he cannot say no, if they can take away his money they will spend it on the Jennet "L", or whatever they call it, and they will prevent economic stagnation, not knowing that the countries which have prosperous economies like Japan, Germany and Taiwan are the countries that encourage their citizens to save money.

Now the Tax Bill which is before us deals with five areas that have been hit and these five areas were outlined in the Budget Address and I intend to go into them tomorrow morning.

I would like to say at this time that the minds of the public are totally engaged in the price increases which they will face on 1st January, 1992. The space in the newspaper for letter writers was all taken up today with letters dealing only with this subject. I will start to deal with these letters because they express many of the thoughts that I have had as I read the Tax Bill and many of the thoughts that were crystallised in my mind as I listened to the Member introducing the Bill this evening.

One letter writer says and I quote from the *Caymanian Compass* of 11th December: "The Budget will have a significant impact on the lives of all of us in the coming year." This will not hit just a few people. The Financial Secretary made it clear that it will hit the little man more than anybody else. But everybody will feel the pinch.

One concern of the writer was the manner in which the tax increases came about. It seems to have been an afterthought when they found themselves in such deep trouble.

For many years now the Government, when it increased the annual fees on companies, brought about the Tax Bill early in the year so that the lawyers and the company managers could notify their offshore clients and could collect the correct fee on 1st January. This has not been done in this year of crisis, in this year of mismanagement, in this year of bad policies from the Elected Government of Executive Council.

The writer says: "In the past, the proposed increases have always been published or made available to the public as soon as the budget address was over." It is my recollection that in the case of company fees these were known several months before so that offshore clients could pay the amounts. As the letter goes on to say it is less than a month away to 1st January and the bad part of it is many lawyers have already billed their clients at the old rates. The same thing happened last year.

I have a small business and I sent in my check to pay for the wholesale licence that we have, \$1,500 and my cheque was returned because overnight Executive Council had increased the fee from \$1,500 to \$1,950. I received a letter from my lawyer saying the fee has just been increased and I would have to send them a new cheque. This is crisis management which has plagued this Government from November, 1988 and continues to get worse. The Government continues to degenerate.

Most offshore companies are administered by local managers many of whom have already arranged to collect annual fee at the old rate. That is always disgusting with collecting bills, when you have to write a client. Imagine an offshore client when you have to send and tell him, "Look, our Government is in such a bad state that we have to ask you for a little bit more." These offshore clients, multinational clients begin to wonder who this Government is.

Thank God we have less than a year to deal with them...

**MOMENT OF INTERRUPTION - 4:30 P.M.
STANDING ORDER 10(2)**

MADAM SPEAKER:

Honourable Member it is now 4:30 p.m.

MR. G. HAIG BODDEN:

Yes, Madam Speaker.

ADJOURNMENT

HON. THOMAS C. JEFFERSON:
House until 10:00 o'clock tomorrow morning.

Madam Speaker, I move the adjournment of this Honourable

MADAM SPEAKER:
The question is that this Honourable House do now adjourn until 10 o'clock tomorrow morning. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

MADAM SPEAKER:
tomorrow morning at 10 o'clock.

The Ayes have it. The House is accordingly adjourned until

AT 4:30 P.M. THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M., THURSDAY, 12TH DECEMBER, 1991.

**THURSDAY
12TH DECEMBER, 1991
10:03 A.M.**

MADAM SPEAKER:
prayers.

I will ask the Second Elected Member for Bodden Town to say

PRAYERS

MR. G. HAIG BODDEN:

Let us Pray.

We beseech Thee so to direct and prosper the deliberations of the Legislative Assembly now assembled, that all things may be ordered upon the best and surest foundations for the glory of Thy Name and for the safety, honour and welfare of the people of these Islands.

Almighty God, from whom all wisdom and power are derived:

Bless our Sovereign Lady Queen Elizabeth II, the Queen Mother, Philip Duke of Edinburgh, Charles Prince of Wales, Diana Princess of Wales and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, the Members of Executive Council and Members of the Legislative Assembly that we may be enabled faithfully to perform the responsible duties of our high office.

All this we ask for Thy great Name's sake, Amen.

Let us say the Lord's prayer together:

Our Father who art in Heaven, Hallowed be Thy Name, Thy Kingdom come, Thy will be done in earth as it is in Heaven; Give us this day our daily bread, and forgive us our trespasses, as we forgive them that trespass against us; And lead us not into temptation, but deliver us from evil; For Thine is the Kingdom, the power and the glory, for ever and ever. Amen.

The Lord bless us and keep us: the Lord make His face shine upon us and be gracious unto us: the Lord lift up the light of His countenance upon us and give us peace now and always. Amen.

MADAM SPEAKER:

Please be seated. Proceedings are resumed in the Legislative Assembly. Presentation of Papers and Reports. Third Interim Report of the Select Committee (of the Whole House) to review the Elections Law.

PRESENTATION OF PAPERS AND OF REPORTS

**THIRD INTERIM REPORT OF THE SELECT COMMITTEE (OF THE WHOLE HOUSE)
TO REVIEW THE ELECTIONS LAW**

HON. RICHARD W. GROUND:

Madam Speaker, I beg to lay on the Table of the House the Third Interim Report of the Select Committee on the Elections Law.

MADAM SPEAKER:

So ordered.

HON. RICHARD W. GROUND:

Madam Speaker, if I could just very briefly summarise what is in the Report. The Committee was established on 15th March, 1989 upon the unanimous passing of Private Member's Motion No. 4/89. It was a Committee of the Whole House. I was nominated as Chairman. It has only held one meeting, that being on 29th November, 1989. We have already laid two Interim Reports on the Table of the House during the 1989-1990 Sessions.

For this Report, in accordance with the provisions of Standing Order 72(1), the Committee wishes to report that it has been unable to conclude deliberations. During the 1990 Session the Committee suspended meetings whilst awaiting a report from the Supervisor of Elections which report has subsequently been submitted to it for consideration. The Committee's work was further held in abeyance in the 1991 Session as it was agreed that meetings of the Select Committee established in November, 1990 to review the Constitution Order would take precedence.

Madam Speaker, it is intended that the Committee will undertake the work of considering the Supervisor of Elections's Report now that we do have it in hand following this meeting of the Legislature. Madam Speaker, this Report was agreed upon by the Committee.

**SECOND INTERIM REPORT OF THE SELECT COMMITTEE (OF ALL ELECTED MEMBERS)
TO REVIEW THE WATERSPORTS INDUSTRY**

MADAM SPEAKER:

Second Interim Report of the Select Committee (of all Elected Members) to Review the Watersports Industry

HON. BENSON O. EBANKS:

Madam Speaker, I beg to lay on the Table the Second Interim Report of the Select Committee (of all Elected Members) to Review the Watersports Industry.

MADAM SPEAKER: So Ordered.

HON. BENSON O. EBANKS: Madam Speaker, the Committee was established as a result of Private Member's Motion No.27/90 and it comprised all Elected Members of this Honourable House.

In accordance with provisions of Standing Order 69(2), the President of the Legislature nominated the Honourable Linford A. Pierson, JP, to be the Chairman of the Committee, who at the time of the passing of the motion was responsible for the Portfolio of Communications, Works and Natural Resources. However, in June, 1990, the responsibilities of various Portfolios were reshuffled and the subject for Watersports was assigned to the Portfolio of Education, Environment, Recreation and Culture. As a result, I assumed the Chairmanship of this Committee.

Madam Speaker, because of the precedence given by the Members of the House to the work of the Select Committees established to review the Island's Immigration Legislation and the Cayman Islands Constitution Order, 1972, no meetings have yet been held save that to consider this Report. Therefore, the work of the Committee remains to be considered and concluded.

The purpose of this Report is merely to report progress and to keep the Committee alive to continue its work in the next Session of the Legislature.

THIRD INTERIM REPORT OF THE SELECT COMMITTEE ON THE PUBLIC LEGAL DEFENDERS OFFICE

MADAM SPEAKER: Third Interim Report of the Select Committee on the Public Legal Defenders Office.

The Second Official Member.

HON. RICHARD W. GROUND: Madam Speaker, I beg to lay on the Table the Third Interim Report of the Select Committee on the Public Legal Defenders Office.

MADAM SPEAKER: So Ordered.

HON. RICHARD W. GROUND: Madam Speaker, very briefly this Committee was established on 11th September, 1989 following the passing of Private Member's Motion No. 17/89.

It consisted of all the Elected Members of the House under my Chairmanship. It met once in 1989 and twice in 1990 when it did hold a series of hearings and conducted a volume of business. During the 1990 session it was generally agreed by Members that the work of the Immigration Committee would take precedence and the Committee has therefore been unable to formally conclude its deliberations. First and Second Interim Reports were laid in 1989 and 1990. The Committee has agreed that this is the Third Interim Report of the Committee.

SUSPENSION OF STANDING ORDER 14(3)

MADAM SPEAKER: Government Business, Suspension of Standing Order 14(3).

HON. THOMAS C. JEFFERSON: Madam Speaker, in accordance with Standing Order 83, I move the suspension of Standing Order 14(3) to allow the Government Business to continue and for Private Member's Motion to be deferred until Government Business is completed.

MADAM SPEAKER: The question before this Honourable House is that the First Official Member has duly moved the Suspension of Standing Order 14(3) to enable Government Business to take precedence over Private Business during this meeting of the House. If there is no debate I will put the question. Those in favour please say Aye...Those against No.

AYES.

MADAM SPEAKER: The Ayes have it.

AGREED: STANDING ORDER 14(3) SUSPENDED.

GOVERNMENT BUSINESS

SECOND READING

BILLS

THE FEES (MISCELLANEOUS AMENDMENTS) BILL, 1991

(Continuation of debate thereon)

MADAM SPEAKER: Second Reading, Bills. The continuation of Debate on the Fees (Miscellaneous Amendments) Bill, 1991. The Second Elected Member for Bodden Town continuing.

MR. G. HAIG BODDEN:

Madam Speaker, at the close of Business yesterday, I had almost completed the discussion about a letter which appeared in yesterday's issue of the *Caymanian Compass* criticising the manner in which the Government had imposed the heavy taxes, and particularly the way in which they had put in the increases under the Companies Law. I will not pursue that further, except to say that that letter had not been written by an individual, but by the Chamber of Commerce which has a membership comprised of many of the business people in the Cayman Islands. As one of the aims of the Chamber is to promote the well-being of commerce in these Islands, and thereby the well-being of the inhabitants, the letter should not be taken lightly.

The other letter has been written by a person who chose to withhold his or her name, and I regret that I am unable to personally congratulate the person for sending in this letter because there is a lot of truth in it. But, I imagine the person...

..... POWER OUTAGE (10:20 a.m.)

..... POWER ON (10:22 a.m.)

MR. G. HAIG BODDEN (*continuing*):

When we adjourned yesterday afternoon, I had been discussing a letter which appeared in yesterday's issue of the *Caymanian Compass*. That letter, written by the Chamber of Commerce, should not be taken lightly. The letter criticised Government's excessive tax increases and particularly the manner in which those increases were put forward under the Companies Law. Today, I will turn to the other letter which I mentioned yesterday: A letter written by a person who has chosen, for whatever reason, to withhold his or her name.

The letter mentions that only a few MLA's and ExCo Members seem to see the handwriting on the wall, and their words are being largely ignored. We know that the writer is speaking specifically of the seven Backbenchers and the Financial Secretary, because the other Members of Government have been silent on the Budget. The Financial Secretary has clearly warned that the Government is heading in the wrong direction. The writer fears, and to quote his own words: "These Islands are going to lose tourists the way a rusty bucket loses water if something is not done about the prices here.". This is a simple, but well put, statement.

Every day we hear tourists (and this has been going on for some time now) saying that they find these Islands to be very expensive. They love the Islands, they enjoy the Islands, they think the Islands are beautiful. Some have made many trips to these Islands, and it is sad to hear a repeat customer saying that he will not be able to return because we are pricing ourselves out of the market.

The letter says: "It isn't going to be long before the regular tourists and divers both discover there are other beautiful Caribbean Islands with far better prices.". This will be true especially when they go to rent a fishing boat, and I will deal with this in greater detail when I come to deal with the specific tax increase on diesel. The writer says:

"When tourism goes, so does a large part of the construction industry. So also go the glitzy shops whose survival depends 100% on the tourist dollar, along with probably 90% of the taxis. Missing will be the income to the Government from work permits and duty on building materials. Truckers will have fewer containers to haul. Fewer containers also means less duty."

So if we continue to put up the cost where the people who do business here have to charge for their services, we will price ourselves out of the market. When it gets to where a tourist has to choose between a number of places, the main factor in his decision is his pocketbook.

Now the writer goes on talking about the complaints from the tourists and says:

"In the face of all of this, what does the Government do? IT RAISES DUTY! Knowing good and well this will only result in increased costs to the ultimate consumers, both tourists and locals.

The Government is concerned with raising money to pay its increased costs, much of which goes to expand the infrastructure of the Island. What the Government doesn't seem to see is: This Island is going to have a wonderful infrastructure, many well paid civil servants and departments to cater to the tourists and tourist related activities only to find itself WITHOUT TOURISTS!".

So the Bill that is before the House is a Bill which, in every respect, increases the cost of living here to the locals and the cost of goods to the tourists. The writer makes a recommendation: "The only way to save the tourism industry on this Island is to REDUCE PRICES.". Strangely enough, this is exactly what is being done in other Caribbean Territories. In this morning's newspaper, the Bahamian Government has decided to roll back its prices to reduce the cost of living for the locals and to encourage the tourists to come in the hope that they will spend more money.

Because this Bill is doing the opposite, and it is my feeling that the Government, with the political direction of the Executive Council Members, is leading this country in the wrong direction, I think it is necessary that we take a brief look at that article which appears in today's newspaper. It is doing the opposite of what the Government is doing here.

While I will not attempt to read this article because it is very long, I will call the attention of Members to a few sections of it in the hopes that the Members of Executive Council

will at least become aware of what other countries are doing. The headline for the story is: "Bahamas budget aims at lower living cost, higher tourist spending" This is the direction in which I think we should be going, and this is why this Bill which is before the House is wrong. The article reads:

"The Bahamian government is trying to get the cost of living down and tourist spending up.

The two goals are at the core of a 4 December tax-free budget presented by Minister of Finance, Paul L. Adderley."

In his budget he has reduced customs duties on some items.

To quote from the article:

"He said the reduction in customs duties and other concessions will make the cost of living lower for the vast majority of Bahamians.

By reducing taxation on tourist items and creating a duty-free regime for them, he said, the government expects an increase in tourist spending and therefore, increased Treasury revenue."

It goes on to tell how they had tried in the previous year to balance their budget but they found out they were getting too large a deficit because the recurrent revenue, the same problem we had in the last two years, could not keep up with the recurrent expenditure. Now they are hoping that this year by this turn around in policy they will be able to bring the two together. The same problem that our Financial Secretary spoke about. The two are going in separate ways. This experiment in the Bahamas is an attempt to let their recurrent revenue catch up with recurrent expenditure. To quote from the article:

"The objectives of the government have, therefore, been to create a taxation system which does not tax the legitimately poor, insulates the middle class family from any excessive taxation and, without being unfair, does not let the affluent escape their fair share of taxation...

Tourism is the Bahamas' main source of foreign exchange."

Now they are getting something like 3.5 million visitors, yet they worry about keeping them and they worry about getting more. We have a handful of visitors compared to them, and we are driving ours away by means of this Bill which is before the House.

I would like to turn to the five areas of the Tax Bill before the House, but before I do that I must say that when I mentioned yesterday that this is the second \$10 million tax package in 16 months, and that there was probably another \$10 million in taxes imposed on the inhabitants of these Islands since 1988, and while I quoted a few of the taxes that had been sneaked in through the back door, I did not mention two of the largest tax increases. I think I should do that now because I know the Government does not want these increases mentioned with this Tax Bill.

With the help of the First Elected Member for Cayman Brac and Little Cayman, the Executive Council pushed through a Bill which will take 4 per cent from every working person next year to pay for the pensions. Now that Pension Bill is very much alive. It was passed by the Legislative Assembly, it has gone to a Select Committee; but because the Members were engaged in so many other activities, they were not able to finish this one and there is a Report in this meeting that will say the Committee has not finished its work. But the Pension Bill is alive and well.

By the talk I hear, we can expect that very early next year, in addition to all of these taxes which I have mentioned, every working person on a salary will be required to pay an additional 4 per cent into the coffers of Government. The owners of businesses will be required to pay another 4 per cent for the workers, and those who work in their own businesses who are not on salaries will also have to pay this income tax. They will have to pay a certain amount.

In addition to this there is another high tax facing this country very early in 1992. That is the tax they will pay for the Health Insurance Plan which the Member is bringing. The Member circulated this document to us in August of this year and he is going to put through, with the help of the First Elected Member for Cayman Brac and Little Cayman, the Health Insurance Law, and the public is going to pay for it. Despite the fact that Members have tried to twist his arm, he will not tell us what he is going to charge for it. We know the cost will be extremely high, and this is on top of this \$10 million tax package which we are now discussing.

Very recently American Express offered a plan to its members and the cost of that plan for a family of four with a father aged 38 with two children, will run from \$148 a month to \$238 a month for the more expensive plan. At this time I am not interested in discussing the details of the plan, but only to show roughly what the cost will be. The plan offered here is a major medical plan which will cover sicknesses outside of the hospital but it also has a lot of restrictions. From what I hear from the Member, his plan is going to cover everybody who will lay in that hospital. If that is the case, that they are going to take care of people who are already sick, it is going to be extremely high. Remember, the rates quoted here are for people aged 38. If the age were 58, the cost would be at least doubled.

So in addition to the \$10 million tax package 16 months ago, and today's \$10 million tax package, there are other packages I have mentioned: The Pension Plan of 4 per cent to come early next year plus this Health Insurance Plan. What I want the public to realise is that when they pay all of

this money, their high hospital fees and the high insurance cost does not cover the construction of the Hospital. The Health Insurance Plan is to pay only for people in the Hospital. We know from the public out there that maybe only five people under the age of 65 out of every 100 people spend 10 days in the Hospital. So this is only going to cover a very small amount of sickness. A new tax will have to be brought to pay for the construction of the Hospital. We are in for some heavy spending next year.

I believe if every working person received a 50 per cent increase in pay on 1st January, they could not pay the bills which this Government is going to exact from them by June next year, if this Government is allowed to have its way. And it is going to have its way because I have found whatever the Member for Health wants, he gets. The other three Elected Members are like ornaments, decorated blocks supporting the main pillar. When he says he is going to put through these taxes next year, I believe him because the ornaments agree with him. They smile across here and the good gentlemen on this side also agrees so they will go through.

Now to look at the main Bill, the subject of this debate. As mentioned by the Financial Secretary, there are five areas to be taxed. The first area is that of the companies, and as I have touched on that area off and on a few different times I will not be spending much time with it, only to say that if companies know that every year they will be asked for higher fees... that in itself is a deterrent to economic growth.

I wonder if this Government has any idea how many small companies have gone out of business on this Island over the last three years? I wonder if they have assessed the part that the Government has played in closing down these businesses?

Now let us look at the area of customs duty that the Government is putting the heaviest tax burden on. They have singled out diesel... and I can only say that they have chosen diesel oil because they knew full well that this was the product which would hurt the little man most. They could not tax any other item that could hurt the little man the way the taxation on diesel has done.

Members will recall that until a few years ago Government did not collect any import duty on diesel oil from Caribbean Utilities (CUC). Diesel oil under the franchise which Caribbean Utilities had was duty free. Now those legislators in the past who gave out the first franchise to the first power company (Cayman Power and Light I believe it was called which was later bought out by Caribbean Utilities) realised that if they taxed diesel fuel it would increase the cost of electricity to the consumer. So for many years there was no charge to the electricity generating company for the diesel fuel, and electricity rates remained within the reach of the ordinary person.

After the 1984 election, when the present Member for Tourism and the present Member for Education took control of Executive Council, they cooked up a scheme with Caribbean Utilities whereby Caribbean Utilities would pay the duties on diesel and on other equipment which they brought in for the production of electricity. Of course, under the franchise which Caribbean Utilities holds, they are allowed to make a profit on their operating expenses so that when they pay duties to Government the cost of those duties are added to the normal operating costs of the company and the consumer pays higher electricity rates. At the time this was done it was not so bad because the import tax on diesel fuel was a very nominal and reasonable amount.

Since the days of the spendthrift Government we find that the Government's tax on diesel oil has been quadrupled. It went from 12 or 13 cents a gallon to 25 cents a gallon. Now it has gone from 25 cents to 50 cents a gallon; so that in a very short period the Government's tax has increased by 390 per cent to 400 per cent. Of course the electricity rates have also increased.

I know the Financial Secretary, in his honest way, yesterday endeavoured to quiet the fears of the public and to keep people from panicking, but he had a very weak case to argue because his Executive Council, his Elected Members, his political decision-makers have committed an abominable act. Everyone has been screaming about the electricity rates, and if they believe that Caribbean Utilities or any other company in this country can afford to pass on only the Government increase, they are dead wrong. The Government sees to it that they cannot, because it is hitting them from every side with other increases. If they believe the monopolies of Esso and Texaco are going to pass on only the 25 cent per gallon increase, they are dead wrong. They cannot afford to.

I was talking to one boat owner last week who has a very large boat. I know this is an extreme case, but because it makes for easy working, I will use it. Other boats will use far less diesel. He told me when he takes out two groups of fishermen for a day on his big boat, he uses 40 to 50 gallons of diesel. Let us say, for argument's sake, he uses 40 gallons. That means Government receives \$10 per day for the diesel which that one boat has used. But that \$10 is paid by Esso or Texaco to Government.

Esso or Texaco sells the diesel for that boat to one of their dealers - not at \$10 more than they were charged for it, because they have to make money. Esso has to pay its delivery men, it has to pay the staff, the trucks, the operation, and they have to make a profit; so they are not going to charge \$10 more for that diesel. They have to charge more. Then the dealer, the little man, maybe a Caymanian businessman, has to charge more.

In these days of austerity he may have an overdraft at the bank which he will have to pay, and if he is charged \$12.50 more for the diesel which he will sell for that boat, he, too, has to put something on it because he has to make a profit to pay his staff, his bank, his operation, and to replace his equipment.

When that fuel gets into that boat the owner of that boat cannot rent that boat for the \$15 more per day that he has paid to get the fuel in it because he has his bank loan to pay, he has his staff to pay, he has his boat to replace, he has the maintenance on his boat. So it is wishful thinking to believe that when the Government charges 25 cents per gallon more, that the final consumer is going to receive it for less. I think that was the suggestion, that it might even be less. This is fanciful thinking but it is not the world of

business.

Caribbean Utilities has been known to pay dividends at the end of the year, dividends which come from profit only after all of their expenses have been met. In fact, their franchise says to them that they are allowed to make a 15 per cent profit on their operating expense. So when the Government puts on a charge of 25 cents per gallon, the final consumer, whether he drives a truck, whether he operates a Hi-Mack or a Low Boy, whether he rents a fishing boat, pays more.

I was impressed by the presentation of the Financial Secretary. As a study in economics, as a study in business, it could not be faulted. I was fascinated when he converted that 25 cents per gallon into 16 cents per kW hour. I would not mind if he gave me the formula, because I must admit I do not know it. But admitting that he was correct, that is only a very abstract calculation and does not take into account all of the other factors which makes the business run and what it takes to convert that gallon of diesel into kW's which are registered at the metre.

So let me tell you that I appreciate the case made by the Financial Secretary. If he had been writing a thesis for his Masters in Engineering I would have given him an A. But, in the world of business, the cost is going to be a lot more. I think he realises that and we know who we are dealing with.

He made the point (and this was a point which I think the Elected Members of Executive Council do not want to hear) that it is the little man, the ones they campaign about helping, who is going to be helped out of existence, who is going to be hurt most if any business, as he says, feels the pinch. It is going to be the people the Member for Communications promised to help.

Let us take this story a little further. What is the attitude of the tourists who were here for 'Million Dollar Month' who went fishing on these boats, or even went on the smaller boats in the North Sound, who came down in February to find that the same boat which they had rented, with the same genteel Captain, the same well-mannered crew, is now going to cost him more because the Government has an insatiable appetite which cannot be appeased? I believe that while the first reason for doubling the duty on diesel was to hurt the little man, Government's second reason was because they knew there would be no difficulty at all in collecting the duties on diesel from Caribbean Utilities. Caribbean Utilities will smile all the way to the bank as they earn higher profits on higher expenditure.

If we look at yesterday's newspaper, Wednesday, 11th December, we will see that Caribbean Utilities has broken ground for another major project worth \$3.5 million. This is scheduled for completion in 1993.

I believe they made a mistake. The Member for Communications seems to be missing from this picture. I do not know if he got trapped in the Legislative Assembly and failed to get his picture there. I have drawn attention to that project to show that the reason why the Government is hurting the little man with the diesel is because the people which the Government is dealing with are the people with the ability to fork out the millions that the Financial Secretary said will be paid in import duties by CUC this year.

Now if this were the only way that the little man would be hurt by the diesel increase, it would not be bad at all. What about the cost of refrigeration, the cost of air-conditioning in a supermarket? I believe the biggest single cost in the operation of Kirk's Supermarket or Foster's Food Fair must be the electricity bill to keep the meats and vegetables frozen. This cost will increase. As this cost increases, so will the cost of chicken, turkey, cucumbers, and whatever else we may have.

You know, this must be the only country in the world that has not benefited from the fall in oil prices since the Gulf war. Because of the avaricious and enormous appetite of the Government we cannot benefit from any outside influence on the price.

Also under the Customs Law there has been an increase in duty for tobacco and alcohol products. We are now the only country in the world with black market prices on legal goods. It is my understanding that at one of the major hotels it now costs a tourist more to buy a beer than it would cost him to buy a six-pack at a supermarket in the United States. The Member made a reference to putting in a 'sin tax' (and I do not know if this was prompted by the fact that the Elected Members have done so much wrong that they now feel the need for atonement). I do not want to argue the religious side of this, but we know full well that the bulk of alcohol which comes into this country is consumed by the tourists.

The Member, that is the Financial Secretary, made reference to the import statistics and how the importation of a product can be affected in the short-term and in the long-term as well by an increase in the price. If one looks at the Government's own import and export statistics which were published in 1990, one will see that there has been no major increase in some of these items; which tells me that with the number of tourists increasing, they seem to be consuming less of the product because of the price. The fear that he has is that some of the products which the Government has singled out for excessive taxes may not result in increased revenue because of the lack of demand for the product.

The increases under this Bill are very large. It is not reasonable to expect that if the Government increases the price of anything by \$1, or whatever it is, that the final consumer will only have to pay \$1 more because of that price increase.

Under the Customs Law diesel increased 100 per cent, some alcohol products increased by 50 per cent, and there are some other products in the Customs Law which were increased by more than 50 per cent but less than 100 per cent. There are two items which seem to have been favoured being increased by only 35 per cent. Even an increase of 35 per cent, when it passes through the line from the importer (which is usually a wholesaler) to a retailer and to the final customer, results in a substantial increase.

As other Members said during the Budget Debate, we do not

believe that increasing the price of alcohol, or cigarettes, or any product will stop any person from using the product because people make individual decisions and the people who make those decisions decide what product they would like to use most, and they are going to buy that product to the detriment of all others.

It is only the Elected Members of Executive Council who can have everything. I am speaking about Government spending, taking the side that each Member will have a pet project of mammoth proportions which will be remembered for generations to come, and one wink and one smile to this side of the aisle will produce that product.

Under this Bill which is before the House, the Government has gone to work again and increased the fees under the Trusts Law by a whopping 100 per cent. Do they not hear the drum beat? Do they not hear that it is not only in tourism that we are out-pricing ourselves? We are doing it in the financial market as well. What is the use of having the best facilities? What is the use of having the most honest lawyers? What is the use of having the most stable Government? What is the use of having the best beaches if there is no one to use the services?

We see under the Patent and Trade Marks Law, increases, and under the Public Recorder Law there seems to be substantial increases again. For example, a document containing pages not exceeding 8 1/2 inches by 14 inches a fee of \$20 will be charged for the first page and \$5 for each additional page. And if the pages in the document exceed 8 1/2 inches by 14 inches the fee will be \$25 for the first page and \$10 for each additional page. These are exorbitant fees when we consider that there is no exemption for the little man.

I remember those public meetings by the Thompson Building and the Court House. Members talked about how they were going to help the little man. They have been helping him out of existence. Not only has there been an increase in the recording of documents, but there has also been an increase in getting copies of the documents.

To get a copy of a document which you have paid to record will cost \$1 a page if it does not exceed 8 1/2 inches by 14 inches, and \$2 for each page exceeding that size with an additional fee of \$5 being payable in respect of each copy certified by the Public Recorder. We see under section 6 the fees have been increased by 400 per cent. Under the Registration Law the fees for birth registration has gone to \$10. You see, to this Government that means nothing. Ten dollars is nothing. Some of these women who have babies do not have husbands; some of them with husbands do not have any money left after they have paid the new fees put in by the Member.

To have a baby in the Hospital will cost far in excess of \$1,000 no matter how short a period the person is there. When the person comes out, they might not have \$10 to buy milk for the baby, and this reckless, heartless, spendthrift Government goes ahead and wants their revenue to look good.

For a search of the records the fee is \$10. I do not know what they mean by a "search" - is that to open the book and find out if they have recorded the information you gave them? For a certified copy of an entry, the fee is \$5. For a certificate of birth to be paid by the applicant, the fee is \$5. The marriage fees and the register fees have been increased. For receiving a notice of banns, \$5; for receiving an objection, \$10; for witnessing a marriage, \$40; for receiving a notice of marriage by a Civil Registrar, \$5; for receiving an objection to a Civil Registrar, \$10; for witnessing a marriage by a Civil Registrar, \$40. For a search in the General Registry Office, \$5 for each hour or part of an hour. And what control will the applicant have over this, when you go there, apply and they tell you to come back next week, as they do now? For a certified copy of an entry, \$10. For the correction of fact or substance, \$10. It is truly unbelievable what is happening in this country.

MADAM SPEAKER:
the suspension?

Honourable Member would this be a time where we could take

MR. G. HAIG BODDEN:
sentences, I will conclude my speech.

Madam Speaker, if you will just give me one or two more

when I started my debate yesterday, because it comes at a time when the Elected Executive Council has crippled the economy of this country. Small businesses have shut down, people are out of work. Where is the money coming from?

This tax package is the worst one we have seen, as I stated

ever prepare.

The only saving grace is that this is the last Budget that they will

Thank you.

MADAM SPEAKER:

The House will be suspended for 15 minutes.

AT 11:30 A.M. THE HOUSE WAS SUSPENDED

HOUSE RESUMED AT 12 NOON

MADAM SPEAKER: Please be seated. Proceedings are resumed. Debate continues on the Second Reading of a Bill entitled the Fees (Miscellaneous Amendments) Law, 1991. (Pause) If there are no other contributors, I would ask the First Official Member if he would wind up the Debate.

HON. THOMAS C. JEFFERSON:

Thank you, Madam Speaker.

I did give a pretty thorough explanation on the fees which are

being increased in the Miscellaneous Fees Bill, but I have had my staff do a little more research in order to indicate what these increases on alcoholic beverages and tobacco products should cause the price to increase by, based on the assumption that retailers passed the entire burden of the tax on to the consumer.

The small survey which was done is comprised of taking the cost of these items from three different liquor stores and then coming up with an average of the three prices on each item. For a case of Heineken, which has 24 cans or bottles, the price before the fee increase was an average of \$25.25 per case, or \$1.05 for a can or bottle. The increase caused by the Miscellaneous Bill moved yesterday, for beer in this case, would be \$4.25. The same case of Heineken beer with 24 cans or bottles, as far as the duty is concerned, should only increase by \$4.25, causing the price of the case to increase to \$29.50. We did find that in some cases the price was higher than that amount.

Another example, Madam Speaker, is a case of Red Stripe, with the same 24 cans or bottles. Before the fee increase the price was \$20.33. The duty increase is the same \$4.25 so that the total cost of a case of Red Stripe resulting from the duties which we have increased would cause that case of Red Stripe to be \$24.58 rather than \$20.33 before the increase of duty on beer.

If we take one example of spirits, and examine the case of a one litre bottle of Bacardi Rum which is 40 per cent alcohol. The price before the fee increase is an average price of \$17.10. The increase caused by the duty on this item is \$3.50 so that now, the fee being in effect, the price of that litre bottle of Bacardi should be \$20.60.

When we look at wines, and we take one particular brand, Asti Spumanti the sparkling wine, before the fee increase it would cost \$11.05. As a result of the duty imposed on this particular wine, the duty would be 94 cents. So after the fee increase the price of that bottle of Asti Spumanti wine should be \$11.99. If we take another example of a cheap Californian wine, Piat d'Or (750 ml), which before the fee increase sold for \$6.48, the fee increase would cause that price for the bottle of wine to increase by 75 cents, so that after the fee increase the cost of that cheap Californian wine, Piat d'Or, should be \$7.23.

Put another way, for a beer, whether it is a can or a bottle, the duty imposed would cause that beer to increase by 17 cents.

In terms of tobacco products a carton, or 200 cigarettes which is 10 packages, before the fee increase was \$14.33. The duty increase was \$2 so that the cost after the duty was imposed of the same carton of 200 cigarettes should be \$16.33. If we look at a package of Benson & Hedges which has 20 cigarettes in it before the duty increase the package cost \$1.67. As a result of the duty increase of 20 cents, that same package of Benson & Hedges should now cost \$1.87.

That is a quick survey which we took in the last day or so, and I thought I would share this with Members of this Honourable House as well as the listening public in order for them to be aware completely as to what the duty imposed on beer, Bacardi, Asti Spumanti, cheap Californian wines and Benson & Hedges should cause those prices to increase by.

Thank you, Madam Speaker.

MADAM SPEAKER: The question before the Honourable House is that a Bill entitled the Fees (Miscellaneous Amendments) Law, 1991 be given a Second Reading. I shall put the question. Those in favour please say Aye...Those against No.

AYES & NOES

MR. W. McKEEVA BUSH: Can I have a Division, Madam Speaker?

MADAM SPEAKER: Certainly.

CLERK:

DIVISION NO. 33/91

AYES: 8

Hon. Thomas C. Jefferson
Hon. Richard W. Ground
Hon. J. Lemuel Hurlston
Hon. W. Norman Bodden
Hon. Benson O. Ebanks
Hon. D. Ezzard Miller
Hon. Linford Pierson
Capt. Mabry S. Kirkconnell

NOES: 7

Mr. W. McKeeva Bush
Mr. John D. Jefferson, Jr
Mr. Truman M. Bodden
Mr. Gilbert A. McLean
Mr. Roy Bodden
Mr. G. Haig Bodden
Mr. John B. McLean

MADAM SPEAKER: The result of the division is eight Ayes, seven Noes. The Bill has been given a second reading.

AGREED BY MAJORITY: THE FEES (MISCELLANEOUS AMENDMENTS) BILL, 1991, GIVEN A SECOND READING.

MADAM SPEAKER: The House will now go into Committee to consider the Fees (Miscellaneous Amendments) Bill, 1991.

HOUSE IN COMMITTEE

COMMITTEE ON BILL

THE FEES (MISCELLANEOUS AMENDMENTS) BILL, 1991

MADAM CHAIRMAN:

Please be seated.

The House is in Committee to consider the Fees (Miscellaneous Amendments) Law, 1991. As usual, if there are any minor amendments the House will ask the Honourable Second Official Member if these would be done by him.

CLERK:

CLAUSE 1.	Short title.
CLAUSE 2.	Companies Law (Revised) amended.
CLAUSE 3.	Customs Tariff Law, 1990, amended.
CLAUSE 4.	Trusts Law (Revised) amended.
CLAUSE 5.	Patents and Trade Marks Law amended.
CLAUSE 6.	Public Records Law (Revised) amended.
CLAUSE 7.	Births and Deaths Registration Law, 1978, amended.
CLAUSE 8.	Marriage Law amended.

MADAM CHAIRMAN:

The question is that clauses 1 through 8 of the Fees (Miscellaneous Amendments) Law, 1991 do stand part of the Bill. Mr. Bush.

MR. W. McKEEVA BUSH:

Madam Chairman, in my Budget debate I did not go into the Bill too much, and I did not debate the Bill a few minutes ago, but I just wanted to say at this Committee stage that we would be completely deluding ourselves to agree with the increases as this Bill proposes. When we talk about \$20.60 for a bottle of rum that would be in the United States around \$9, we are talking about serious increase.

When you talk about the increase on diesel this is going to wreak havoc on small businesses, especially those businesses with marginal profits, companies operating marginally and even on the larger ones it is going to affect us because I know in one instance, one tourist property, a large property, which is already paying a large amount for electricity, this increase is going to cause a \$200,000 per year increase on them. Even to the large companies which operate with marginal profits.

What I see happening here in addition to the hurt this is going to inflict on the homemakers of this country, it is also going to affect competitively our tourist position and we are becoming like that country which we claim to have benefited from where so many hotels had closed down.

HON. BENSON O. EBANKS:

Madam Speaker, on a Point of Order. Surely this is not the type of debate that one would expect in a Committee stage contribution...

MADAM CHAIRMAN:

I am quite aware of this, I was just waiting to see how far the Member was going because under Standing Order 50(1), a Bill shall not have its general merits and principles discussed but only details and I was giving him a little chance.

The Member has said that he did not discuss it in the Budget Debate, neither did he discuss it when the Bill was presented. I do not believe he was in the Chamber. Irrespective of that, Honourable Member, unless you have a detail or an amendment, I will have to ask you to conclude your discussion on it.

MR. W. McKEEVA BUSH:

Madam Chairman, I will take your lead on this. I am not going to take on the Member for Education because he wants to rush to go to Rotary. He will have to leave if he wants to go. I know the Standing Orders, Madam Chairman, and I could easily discuss this item by item, so I only sought to give a generalised view of the causes which you have put.

I will only conclude by saying that in addition to hurting people with good salaries, all of these items are going to inflict serious hurt on those people with fixed incomes, those people who receive pensions, and do not get any serious increases in their pensions. I am not just talking about Government pensions here, I am talking about pensions from overseas. People, sometimes two in a family, who are not working. I will abide by your wishes, Madam Chairman. But, as I said, I could easily carry on item by item.

Thank you.

MADAM CHAIRMAN:

very much.

Well I am glad to see that you are doing it this time. Thank you

Is there any other debate? Mr. Truman Boddén.

MR. TRUMAN M. BODDEN:

Thank you.

Turning to section 2(a), that specific increase, from \$250 to \$350, is an increase of some 30 per cent. It is, in my view, something that is going to hurt because in the comparative jurisdictions on these specific amounts we find that the British Virgin Islands is \$300, Turks and Caicos \$325 and the Bahamas \$100. Similarly with sections 2(b) and 2(c). This \$100 increase, I think, is going to hurt. In section 2(b) specifically, the extra \$100 there is a 100 per cent increase on Caymanians, and it is the largest amount increased there.

Sections 2(d) and 2(e) are not dealing with a large number of companies because these are foreign companies, but it is still a significant amount of income which is coming out. In the formation, we are up by one-third, and on the annual up by two-thirds. What I am saying is that I personally think we are going to price ourselves out.

MADAM CHAIRMAN: Mr. Bodden are you getting to an amendment? Because these are the general principles and merits of the Bill.

MR. TRUMAN M. BODDEN: Yes, but, Madam Chairman, I have a right to comment on the specifics and that is why I have been going (a), (b), (c), (d) and dealing with the specific amounts...

MADAM CHAIRMAN: But you had the opportunity when there was a general discussion on the Bill on the Second Reading and you did not do that.

MR. TRUMAN M. BODDEN: Madam Chairman, with respect, the specifics are now what I am dealing with. I could not stand up in that general debate and go down 2(a), (b), (c), (d), (e) which is what I was now trying to do. I am not going deal with the merits.

MADAM CHAIRMAN: That was your opportunity to have done that.

MR. TRUMAN M. BODDEN: Madam Chairman, with respect, if you look at the debate on the Second Reading you see you "...deal with generalities...", and you have just read out the one that deals with specifics. If you feel I cannot speak on the specifics unless I have an amendment, I do not think that is correct. But I will have to abide by your ruling, Madam. If that is the case, then so be it. I will leave it there, Madam. I would just point out that there is one very important specific thing on this which I do not think the Government appreciates, and the private sector, believe me, is going to get at you in relation to it.

MADAM CHAIRMAN: Is there any other comment? If not I shall put the question that clauses 1 through 8 stand part of the Bill. Those in favour, please say Aye... Those against, No.

AYES & NOES

MR. W. McKEEVA BUSH: Can I have a Division, Madam Chairman?

MADAM CHAIRMAN: You certainly may.

CLERK:

DIVISION NO. 34/91

AYES: 7

Hon. Thomas C. Jefferson
Hon. Richard W. Ground
Hon. J. Lemuel Hurlston
Hon. W. Norman Bodden
Hon. D. Ezzard Miller
Hon. Linford Pierson
Capt. Mabry Kirkconnell

NOES: 6

Mr. W. McKeever Bush
Mr. John D. Jefferson, Jr
Mr. Truman M. Bodden
Mr. Gilbert A. McLean
Mr. G. Haig Bodden
Mr. John B. McLean

ABSENT

Hon. Benson O. Ebanks

CLERK: Seven Ayes, seven Noes.

MADAM CHAIRMAN: The Chairman's vote will be for the Ayes.

HON. W. NORMAN BODDEN: Madam...

MR. JOHN B. McLEAN: What was that? Please, the...

HON. W. NORMAN BODDEN: I think that...

MADAM CHAIRMAN: I said that the Chairman's vote will be for the Ayes.

MR. JOHN B. McLEAN: I understood that, Madam Chairman. I was asking what was the tally?

CLERK: Seven Ayes, seven Noes.

MR. W. McKEEVA BUSH:

But the Chairman cannot vote in this instance.

HON. W. NORMAN BODDEN:
Noes.

I think, Madam Chairman, that the tally was seven Ayes and six

CLERK:

He is absent? I thought I heard... *(Inaudible)*

MADAM CHAIRMAN:

Oh, well I am sorry for that because I was not looking. I did not lift my eyes, I am sorry. Would you please amend that accordingly? Seven Ayes, six Noes.
Please proceed, Madam Clerk.

CLERK: A Bill for a Law to Amend the companies Law (Revised); the Customs Tariff Law, 1990; The Trust Law (Revised); The Patents and Trade marks Law; The Public Recorder Law (Revised); the Births and Deaths Registration Law, 1978; and the Marriage Law.

MADAM CHAIRMAN:

The question is that the Title do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

MADAM CHAIRMAN:

The Ayes have it.

AGREED: TITLE PASSED.

MADAM CHAIRMAN:

That concludes proceedings in Committee on the Fees (Miscellaneous Amendments) Law, 1991
The House will resume.

HOUSE RESUMED

MADAM SPEAKER:

Proceedings are resumed.
Report.

REPORT ON BILLS

THE FEES (MISCELLANEOUS AMENDMENTS) BILL, 1991

HON. THOMAS C. JEFFERSON:

Madam Speaker, I have to report that a Bill shortly entitled the Fees (Miscellaneous Amendments) Bill, 1991 was considered by a Committee of the Whole House and passed without amendment.

MADAM SPEAKER:

The Bill is accordingly set down for Third Reading.

THIRD READING

THE FEES (MISCELLANEOUS AMENDMENTS) BILL, 1991

CLERK: The Fees (Miscellaneous Amendments) Bill, 1991

HON. THOMAS C. JEFFERSON:

Madam Speaker I beg to move that a Bill shortly entitled the Fees (Miscellaneous Amendments) Bill, 1991 be given a Third Reading and passed.

MADAM SPEAKER:

The question before the Honourable House is that a Bill entitled the Fees (Miscellaneous Amendments) Bill, 1991 be given a Third Reading and passed. I shall put the question. Those in favour, please say Aye... Those against, No.

AYES & NOES

MR. TRUMAN M. BODDEN:

Can we have a Division, please?

MADAM SPEAKER:

Certainly.

DIVISION NO. 35/91

AYES: 7

Hon. Thomas C. Jefferson
Hon. Richard W. Ground
Hon. J. Lemuel Hurlston

NOES: 6

Mr. W. McKeever Bush
Mr. John D. Jefferson, Jr
Mr. Truman M. Bodden

Hon. W. Norman Bodden
 Hon. D. Ezzard Miller
 Hon. Linford Pierson
 Capt. Mabry S. Kirkconnell

Mr. Gilbert A. McLean
 Mr. Roy Bodden
 Mr. John B. McLean

Absent:
 Hon. Benson O. Ebanks
 Mr. G. Haig Bodden

AGREED BY MAJORITY: THE FEES (MISCELLANEOUS AMENDMENTS) BILL, 1991, GIVEN A THIRD READING AND PASSED.

MADAM SPEAKER: Second Readings.

SECOND READINGS

THE TRAFFIC BILL, 1991

CLERK: The Traffic Bill, 1991.

HON. LINFORD A. PIERSON: Madam Speaker, I beg to move the Second Reading of a Bill for a Law to Repeal and Replace the Traffic Law.

This Bill has not been arrived at lightly. It is a major piece of legislation which has been developed over a considerable period of time with the invaluable assistance of the Traffic Law Committee, which held its first meeting in June 1989, and has met regularly since that time.

The Committee was comprised of representatives from the Police Department, the Portfolio of Communications and Works, the Public Works Department, the Lands and Survey Department, the Planning Department, the Central Funding Scheme (which has been renamed the Department of Vehicle and Equipment Services), and the Legal Department.

At this point, Madam Speaker, I wish to publicly express my sincere thanks to the Members of the Committee. From the Police Department: Deputy Commissioner Kevin McCann, Chief Superintendent Neville Smith, Inspector Phillip Ebanks and Sergeant Donald Young. From the Portfolio of Communications and Works: Dr. Astley McLaughlin. From the Public Works Department, the Chief Engineer, Mr. Donovan Ebanks; Executive Engineer for Roads, Mr. Ron Kane, and from the Lands and Survey Department, Mr. Terry Fenton, the Director; Mrs. Christine Ballard, the former Director of Planning. From the Central Funding Scheme, the Manager, Mr. Colford Scott. Mrs. Shawn Jennings, formerly a Crown Council in the Legal Department who held the position of Chairman of the Committee during most of the Committee's deliberations and who was later replaced as legal advisor by Miss Sheridan Brooks, who took over the mammoth task of preparing the final drafting of the Bill and Regulations.

Madam Speaker, the Traffic Law, 1991, is supplemented by three sets of Regulations, namely, the Traffic Regulations, 1991, the Traffic (Public Transport) Regulations, 1991, and the Traffic (Miscellaneous Forms) Regulations, 1991. These Regulations are also now being laid on the Table of this Honourable House in accordance with section 113 of the Bill for a period of three months during which time I would invite comments from Members of this Honourable House, as well as members of the public. After this period it is intended that these Regulations will be brought into Law, taking into account any agreed upon recommendation for amendments.

It has long been acknowledged that the present Law is bogged down with superfluous details and that parts of it are arranged in an illogical manner, probably resulting from the many and varied amendments made over the years. Whilst this Bill is not perfect in all of its parts, it is a major improvement to the existing legislation.

I would at this point mention that it is my intention to bring two Committee stage amendments. The first amendment will have the effect of deleting the restriction against persons who have attained the age of 70 years. The relevant section is clause 38(2), which basically states that persons 70 years and over would have to sit and pass a driving test each year. In view, therefore, of the many public calls that I have received in protest of this restriction, and other expressions of dissatisfaction from the public, I propose to have this requirement deleted during the Committee stage of this Bill.

This section reads as follows:

"Duration of licences

38(2) Notwithstanding anything in subsection (1) above, a driving licence issued to a person who has attained the age of seventy years shall remain in force for the period of twelve months next succeeding the date of issue of the licence and such licence shall not be renewed unless the holder thereof passes a further driving test."

That is the section which I intend to bring a Committee stage amendment on to have that deleted. The notice of the Committee stage amendment reads as follows:

"In accordance with the provisions of Standing Order 52, sub-orders (1) and (2), I, the Honourable

elected Member responsible for Communications, Works and Agriculture, hereby give notice to move the following amendment to Clause 38 during Committee on A Bill for A Law to Repeal and Replace the Traffic Law.

BE IT RESOLVED THAT Clause 38 of the Traffic Bill, 1991, be amended by:

- (i) deleting sub-clause (2) in its entirety; and
- (ii) renumbering sub-clause (1) as "38".

Madam Speaker, the view is that there are existing provisions in this Bill to ensure that all motorists, regardless of age, properly comply with the Traffic Law and Regulations. For example, clause 29 of the Bill deals with the requirements as to physical fitness of drivers, while clause 30 deals with the revocation of licence because of disability. Clause 31 deals with the provision of information, etcetera, relating to disabilities, and clause 32 deals with the question of driving with uncorrected defective eyesight. So, Madam Speaker, there are provisions already in the Bill that could have the same effect as was contemplated in section 38(2).

Madam Speaker, I share the view of the individuals who contacted me in this matter, that to require them to sit and pass a driving test each year after attaining the age of 70 could create hardship to them. For the benefit of the listening public I will take a few minutes to read out the requirements of clauses 29 through 32 which primarily deal with requirements as to the physical fitness of drivers regardless of age and which would seem to adequately cover what was intended by the deleted clause 38(2). The listening public together with the Members of this Honourable House will see that there are already provisions dealing with the physical fitness of the motoring public.

Clause 29 (this deals, as I mentioned earlier, with the requirements as to the physical fitness of drivers and there are four sub-clauses to it) reads as follows:

"Requirements as to physical fitness of drivers.

29(1) An application for the grant of a Caymanian licence must include a declaration by the applicant in the prescribed form stating whether he is suffering or has at any time suffered from any relevant disability.

(2) The director may require any person applying for a Caymanian licence to provide a medical certificate in the prescribed form showing that he is not suffering from any relevant disability.

(3) If it appears from the applicant's declaration or medical certificate, or if on inquiry the Director is satisfied from other information, that the applicant is suffering from a relevant disability, the Director must, subject to the following provisions of this section, refuse to grant the licence.

(4) The Director must not by virtue of subsection (3) above refuse to grant a Caymanian licence on account of any relevant disability if the applicant satisfies such conditions as may be prescribed with a view to authorising the grant of a licence to a person in whose case the disability is appropriately controlled."

Madam Speaker, "Director" means the Director of Licensing appointed by the Governor by virtue of section 3 of the Bill.

Clause 30 deals with the revocation of licence because of disability. This states:

"30(1) If the Director is at any time satisfied on inquiry -

(a) that the holder of a Caymanian licence is suffering from a relevant disability, and

(b) that the Director would be required by virtue of section 29(3) of this Law to refuse an application for the licence made by him at that time,

the Director may serve notice in writing on that licence holder revoking the licence with effect from such date as may be specified in the notice, not being earlier than the date of service of the notice.

(2) A person whose licence is revoked under subsection (1) above must deliver up the licence to the Director forthwith after the revocation.

Clause 31 continues, and this deals with the provision of information, etcetera, relating to disabilities.

"31(1) If at any time during the period for which his licence remains in force, the holder of a Caymanian licence becomes aware -

(a) that he is suffering from a relevant disability which he has not previously disclosed to the Director, or

(b) that a relevant disability from which he has at any time suffered (and which has been previously so disclosed) has become more acute since the licence was granted, that licence holder must forthwith notify the Director in writing of the nature and extent of his disability. [So the onus, Madam Speaker, is on the motorist, the driver.]

(2) A person who fails without reasonable excuse to notify the Director as required by subsection (1) above is guilty of an offence and shall be liable on summary conviction to a fine not exceeding six hundred dollars or to a term of imprisonment not exceeding six months or to both.

(3) If the Director has reasonable grounds for believing that a person who is an applicant for, or the holder of, a Caymanian licence may be suffering from a relevant disability, subsection (4) below applies for the purpose of enabling the Director to satisfy himself whether or not that is the case.

(4) The Director may by notice in writing served on the applicant or holder -

(a) require him, as soon as practicable to arrange to submit himself for examination by such medical practitioner or practitioners as may be nominated by the Director for the purpose of determining whether or not he suffers or has at any time suffered from a relevant disability, or

(b) require him to submit himself for a driving test, being a test authorising the grant of a licence in respect of vehicles -

(i) of all or any of the groups to which the application relates, or

(ii) which he is authorised to drive by the licence which he holds, as the case may be.

(5) If he considers it appropriate to do so in the case of any applicant for, or holder of, a Caymanian licence the Director -

(a) may include in a single notice under subsection (4) above requirements under more than one paragraph of that subsection and

(b) may at any time after the service of a notice under that subsection serve a further notice or notices under that subsection.

(6) If any person on whom a notice is served under subsection (4) above -

(a) fails without reasonable excuse to comply with a requirement contained in the notice, or

(b) fails any driving test which he is required to take as mentioned in paragraph (b) of that subsection,

the Director may exercise his powers under sections 29 and 30 of this Law as if he were satisfied that the applicant or licence holder concerned is suffering from a relevant disability."

Madam Speaker, as stated, sections 29 and 30 deal with the requirements as to physical fitness of the drivers and revocation of licence because of disability.

Section 32, which is the last section dealing with physical fitness, reads as follows, and this has to do with driving with uncorrected defective eyesight:

32(1) If a person drives a motor vehicle on a road while his eyesight is such (whether through a defect which cannot be, or one which is not for the time being sufficiently corrected) that he cannot comply with any requirement as to eyesight prescribed under this Part of the Law for the purpose of tests of competence to drive, he is guilty of an offence.

(2) A constable having reason to suspect that a person driving a motor vehicle may be guilty of an offence under subsection (1) above may require him to submit to a test for the purpose of ascertaining whether, using no other means of correction than he used at the time of driving, he can comply with the requirement concerned.

(3) If that person refuses to submit to the test he is guilty of an offence.

(4) Any person convicted of an offence under this section shall be liable on summary conviction

to a fine not exceeding six hundred dollars or to a term of imprisonment not exceeding six months or both. Such fine and imprisonment and the particulars of the conviction shall be endorsed on his driving record."

Madam Speaker, I have read this to make the point that there is adequate provision in the Traffic Law to protect the public, the motorists, and the people who use the roads, even if the House decides to go along with the recommendation to delete section 38(2) which place a lot of restrictions on those individuals who are 70 years or over; many of whom, I might add, are physically fit and are capable of driving, many of whom, statistics will show, have had fewer accidents than some of the younger people. So there seems to be no good reason why this subsection of clause 38 cannot be deleted.

MADAM SPEAKER: Have you concluded your...

HON. LINFORD A. PIERSON: No, Madam Speaker, I could continue. I just wondered if you...

MADAM SPEAKER: How much longer would you wish?

HON. LINFORD A. PIERSON: I do have some more to say on this because it is a major Bill before the House.

MADAM SPEAKER: Well, perhaps we could adjourn for the luncheon break and resume at 2:15 p.m.?

HON. LINFORD A. PIERSON: Thank you.

AT 12:46 P.M. THE HOUSE WAS SUSPENDED

HOUSE RESUMED AT 2:21 P.M.

MADAM SPEAKER: Please be seated.
Proceedings are resumed.
The Honourable Member for Communications, Works and Agriculture continuing his presentation of the Traffic Bill.

HON. LINFORD A. PIERSON: Thank you, Madam Speaker.
At the break for lunch I was dealing with the notice of the first Committee Stage Amendment which is to clause 38(2) of the Bill. Whilst giving my support to the proposed amendment deleting this subsection, I would take this opportunity to point out that the Traffic Law Committee during its deliberations, and in making this particular recommendation under this subsection, did not take this idea out of the sky but used the precedent which obtains under current UK Laws. It is well appreciated that we need not accept this particular UK precedent here in these Islands at this time.

The second amendment to the Bill seeks to reintroduce the provision in the Law relating to visitors' permits, and I would like to take a minute to read this. However, before reading it I would point out that the revenue now derived from this source is quite substantial. Whilst the intention is good in wishing to delete this, due to our economic situation in the Islands at this time, and Government's financial position, it was felt that we could not forgo this revenue which amounts to well over \$200,000. Despite the good intentions - and our intention in particular to make these Islands more attractive to our visitors - we were unable to entertain this at this time. Thus the reason for the amendment. It is my intention, at some later date when the economy has sufficiently improved, to seek the permission of the Members of the House to have this matter reintroduced.

Madam Speaker, the second amendment or Notice of Committee Stage Amendment, reads as follows:

"In accordance with the provisions of Standing Order 52, sub-orders (1) and (2), I, the Honourable Elected Member responsible for Communications, Works and Agriculture, hereby give notice to move the following amendments during Committee on A Bill for A Law to Repeal and Replace the Traffic Law:

(1) Clause 22, sub-clause (3):

That Clause 22(3) of the Bill be amended by omitting "on indictment" and substituting therefore "on summary conviction".

(2) Clause 27

That Clause 27 of the Bill be amended as follows:

(a) in sub-clause (1) by omitting "if he satisfies the conditions specified in subsection (3) below.", and substituting therefor the following:-

"if -

- (a) he satisfies the conditions specified in paragraphs (a) - (d) of section 24; and
 - (b) he is the holder of a valid driving licence authorising him to drive such a motor vehicle in another country.";
- (b) by omitting sub-clauses (2) and (3) and substituting therefor the following sub-clauses:-

- (2) A person lawfully visiting the Islands who -
 - (a) is qualified to drive a group of vehicles for the purposes of paragraphs (a) - (d) of section 24; and
 - (b) is the holder of a current driving licence issued in his country of residence in respect of that group of vehicles,

may be issued with a permit in the prescribed form to drive a vehicle of that group and, if that group does not include a motor scooter, a motor scooter in the Islands -

- (c) on production of his driving licence; and
- (d) on payment of the prescribed fee.

(3) In subsection (2) "motor scooter" means a mechanically propelled vehicle having two road wheels used for the transport of people, with a power unit of a cylinder capacity of eighty cubic centimeters or less and having no gears or clutch that requires operation by the rider, and includes a moped.

(4) A permit issued under subsection (2) is valid -

- (a) while the visitor is on the Islands; or
- (b) for a period of 6 months from the date of issue,

being whichever period is the shorter.

(5) If requested to do so by a uniformed constable the holder of a permit issued under subsection (2) shall produce -

- (a) the permit; and
- (b) his current driving licence; and
- (c) proof of payment of the prescribed fee for the permit,

to the constable.

(6) A vehicle hire firm gazetted as such may purchase in bulk from the Director blank forms of the permits referred to in subsection (2) for issue, in accordance with that subsection, to visitors hiring vehicles from the firm.

(7) A vehicle hire firm that issues a permit in accordance with subsection (2) shall -

- (a) ensure that the form of permit is completed in duplicate and signed by the visitor; and
- (b) give the original of the permit to the visitor and retain the duplicate for production to the Director if so required.

(8) A vehicle hire firm may return unused blank forms of permit to the Director who shall refund the amount paid for them.

- (c) by renumbering sub-clauses (4), (5), (6) and (7) respectively (9), (10), (11) and (12).".

Madam Speaker, as mentioned, it is to reintroduce this section due to the substantial revenue that would otherwise be lost. There are other matters which have been brought to my attention which are under consideration and will be referred to the old Traffic Law Committee which I plan to reconvene to further study these matters.

These matters include the signage standards, that is, whether we should adopt the US standards instead of the UK standards. I have received some strong arguments in favour of the US standards; one argument being that of the total number of tourists visiting these Islands, 80 per cent or more come from the United States of American while only about 3 per cent come from the UK. The argument also suggests that a higher percentage of Caymanians travel to the United States than to the UK. These matters will have to be given very close scrutiny as, after all, we are still a British colony.

Another matter that has been raised was the question of left turns at stop signals. Under current Regulations vehicles are not allowed to turn left at a signalised junction if the red light is showing, even if the road is clear. This is the practice in the United Kingdom. On the other hand, in the United States right turns are allowed on red lights if the traffic is clear. The rationale which has been advanced for this practice is as follows:

- (a) It avoids unnecessary waiting and enhances traffic flow;
- (b) it carries only the risk of relatively low impact accidents as vehicles are travelling in the same direction.

This has been a very popular suggestion as many of our people travel to the United States. In the United States, you are permitted to turn right on a red light provided the traffic is clear. In the United Kingdom it is not possible to turn on a red light even if the traffic is clear, thus the reason why this practice also obtains here. But there is strong lobby that we should consider the amendment to this Law to provide for left turns on red lights provided the traffic is clear. So this is another matter which I will be re-submitting for the reconvened committee.

It has also been suggested that signs for 25 mph in school zones should apply only to specific school hours and that outside these school hours the speed limit should be appropriately increased as not to inconvenience the motoring public.

Madam Speaker, the Memorandum of Objects and Reasons of this Bill is quite comprehensive. However, in view of the importance of this Bill I propose to read through the sections in order to more clearly understand it and also for the sake of the listening public.

The Memorandum of Objects and Reasons reads as follows:

"This Bill seeks to repeal and replace the Traffic Law (Revised) with up to date legislation and to establish a separate Department of Vehicle and Equipment Services. The Bill also seeks to appoint a new Director of Vehicle Licensing thus removing matters concerning the licensing of vehicles out of the hands of the Commissioner of Police who is now responsible, and putting them in the hands of this New Department.

Clause 1 is the Short Title and Commencement clause and Clause 2 contains definitions of the Terminology used in the Bill.

Clause 3 seeks to establish the Licensing Authority for the Cayman Islands and also to provide for the appointment of a Director of Licensing whose functions are outlined in clause 4.

Clause 5 seeks to provide for the continuation of the register of motor vehicles established under the Motor Vehicles Law; and clause 6 seeks to provide for compulsory registration of all motor vehicles in the Cayman Islands with the exception of certain new motor vehicles as provided for in clause 7; and clause 8 seeks to provide for the display of registration plates on all registered vehicles.

Clause 9 seeks to provide for the alteration of particulars on any motor vehicles to be recorded in the register and on the certificate of registration; and clause 10 seeks to make provision for the termination of vehicle registration in certain defined circumstances.

Clause 11 seeks to prohibit the importation and use of certain categories of motor vehicles; and clause 12 seeks to provide for a charge of duty on all vehicles used or kept on a road with the exception of certain categories of vehicles which are to be exempt from duty in accordance with the provisions of clause 13.

Clause 14 seeks to provide for the period of validity of vehicle licenses; clause 15 seeks to provide for the continuous liability of the owner of a vehicle in cases where the licence is not properly suspended; and clause 16 seeks to provide that all licenses once issued shall be displayed and exhibited on the motor vehicle to which it relates.

Clause 17 provides for the issuance of duplicate licenses in certain circumstances; and clause 18 provides for the issuance of special licenses in certain specified circumstances.

Clause 19 seeks to provide for the leasing of trade plates in cases where the vehicle is for sale and will remain unlicensed until it is sold; clause 20 seeks to provide for compulsory bicycle tags to be attached to bicycles used on the road; and clause 21 seeks to provide for the Governor to make regulations prescribing certain matters specified in that clause.

Clause 22 seeks to provide that unqualified persons shall not be allowed to drive; clause 23 seeks to provide that no person shall drive a motor vehicle unless licensed or authorised so to do; and clause 24 seeks to provide the qualifications necessary to drive in the Cayman Islands.

Clause 25 seeks to describe persons who are not qualified to drive; clause 26 seeks to prescribe persons who may be licensed to drive; and clause 27 seeks to provide that new residents and certain visitors may be authorised to drive in certain circumstances and that persons with international driving permits shall be recognized in the Cayman Islands.

Clause 28 seeks to provide for the saving of licences and tests under the old Law.

Clause 29 seeks to provide that a test of physical fitness must be passed by persons intending to drive in the Islands; and clause 30 seeks to provide for the revocation of licences in cases where the driver is suffering from a prescribed disability.

Clause 31 seeks to provide that persons suffering from a specified disability shall provide certain information to the Director; clause 32 seeks to deal with driving with uncorrected defective eyesight; and clauses 33 and 34 seek to deal the qualifications and conditions attached to learning to drive in the Cayman Islands.

Clause 35 seeks to prescribe the tests required for competence to drive in the Cayman Islands; clauses 36, 37 and 38 seek to deal with the grant of licences, the form of licences and the duration of those licences, respectively.

Clause 39 seeks to deal with powers of arrest in relation to offences relating to the licensing of persons; and clause 40 seeks to provide for the Governor to make Regulations in certain defined circumstances.

Clause 41 seeks to establish a Public Transport Board to whom the Governor may give Directions (clause 42); and clause 43 specifies the qualifications, conditions, etc., under which permits to drive taxis and omnibuses will be given.

Clause 44 seeks to provide for the circumstances and conditions under which taxi and omnibus licences may be suspended or revoked; clause 45 seeks to provide the matters which will be taken into account before such suspension or revocation; and clause 46 seeks to provide that the holding of a taxi or omnibus licence is different from the holding of a driving licence as each is mutually exclusive.

Clause 47 seeks to prescribe the conditions under which passengers may be driven for hire or reward; and clause 48 seeks to provide for the Governor to make Regulations for the carrying into effect of the Part of this Bill dealing with Public Transport."

Madam Speaker, there are 113 clauses to this Bill, and as mentioned earlier it is a most comprehensive piece of legislation, probably one of the most comprehensive coming to this House and thus the reason for taking time to go through each clause of this Bill.

"Clause 49 seeks to provide for the regulation of constructions, weight, equipment and use of vehicles; and clause 50 seeks to provide that an offence will be committed in cases where the provisions of the regulations are contravened.

Clause 51 seeks to provide for authorisation for use on roads of vehicles not complying with regulations made under clause 49; and clause 52 seeks to provide for the appointment of vehicle inspectors.

Clause 53 seeks to provide that all vehicles imported into the Islands must be inspected before use on the road, and in furtherance of this provision clause 54 provides for the issuance of Certificates of Road-worthiness.

Clause 55 seeks to provide for an annual inspection of vehicles; and clause 56 seeks to prescribe the powers of vehicle inspectors and constables in relating to the requirements for certificates of roadworthiness.

Clause 57 seeks to provide a penalty for the use on a road of a motor vehicle in respect of which there is no valid certificate of roadworthiness; and clause 58 seeks to provide for the Governor to make regulations for the carrying into effect of provisions relating to certificates of roadworthiness.

Clause 59 and 60 seek to prescribe the general duties of road users; and clause 61 seeks to prescribe that it shall be the duty of a road user to give his name and address when an offence is alleged to have been committed under the provisions of this Bill.

Clause 62 seeks to provide that it shall be an offence for adults not to wear seat belts.

Clause 63 seeks to provide for a restriction on carrying children not wearing seat belts in motor vehicles; and clause 64 seeks to make the wearing of protective head gear compulsory."

I would point out, Madam Speaker, that this particular restriction is not now in effect and these will be brought into effect by regulations in due course, that is the compulsory use of seat belts.

"Clause 65 seeks to prescribe that there is a duty on a driver to stop and furnish certain particulars in the case of an accident; and clause 66 seeks to provide for the method of provision of police evidence in the case of an accident.

Clauses 67, 68 and 69 seek to provide for offences to be termed causing death by dangerous or reckless driving, dangerous or reckless driving and careless driving.

Clause 70 seeks to provide that persons charged with certain offences may be convicted of certain lesser offences; and clause 71 seeks to maintain the offence of driving a vehicle whilst intoxicated or under the influence of drugs.

Clause 72 seeks to provide for a constable in uniform to arrest any person reasonably suspected of having committed an offence under the provisions of clause 71; and clause 73 seeks to provide for the retention of vehicles in the custody of the police in certain specified circumstances.

Clause 74 seeks to provide that an offence will be committed in cases where a person drives or obtains a drivers license when disqualified; and clause 75 seeks to provide a penalty for the unlawful use of a vehicle.

Clause 76 seeks to provide a penalty for motor racing on roads; clauses 77 and 78 seek to provide for certain speed limit and ticket offences respectively; and clause 79 seeks to provide for the procedure to be adopted in cases where a ticket offence has been committed.

Clause 80 seeks to provide for the service of a notice in cases where a fine is not paid; clause 81 seeks to provide for the enforcement of proceedings against an owner; and clause 82 seeks to provide for liability for persons who rent vehicles.

Clause 83 seeks to provide for miscellaneous offences; clause 84 seeks to provide for the method of trial for offences under this Bill; and clauses 85, 86, 87, 88, 89, 90 and 91 seek to provide for the penalties for offences under this Bill.

Clause 92 seeks to provide for the Governor to make regulations for the carrying into effect of the provisions of Part VI of this Bill.

Clause 93 seeks to provide for the establishment of a Traffic Advisory Panel; and clauses 94, 95, 96, 97, 98, and 99 seek to make provisions for the control of traffic by means of yellow lines, taxi ranks, pedestrian crossings, school crossing patrols and vehicle pounds respectively.

Clause 100 seeks to provide for the adoption of various traffic signs; clauses 101, 102, and 103 seek to make provision for the erection of road blocks or barriers to provide for road works and to provide penalties for obstruction on the road or sidewalks etc.

Clause 104 seeks to provide for offences relating to documents; clause 105 seeks to provide for certain powers to be given to constables; and clause 106 seeks to provide for penalties for obstruction of the Police in the execution of their duties under this Bill.

Clause 107 seeks to provide for vicarious responsibility of corporations; clause 108 seeks to provide for certain motor vehicles to be weighed; and clause 109 seeks to provide a general penalty for offences under this Bill.

Clause 110 seeks to provide for a general power of arrest; clause 111 seeks to provide for the application of the provisions of this Bill to the Crown; and clause 112 seeks to provide for all fees payable under the provisions of this Bill to be paid to the Treasury.

Clause 113 seeks to provide for Regulations made under this Bill to be subject to negative resolution; and clause 114 provides for the repeal of the Traffic Law (Revised)."

Those Regulations were mentioned earlier today and were laid on the Table of the House. This clause seeks to provide for those Regulations made under this Bill to be subject to negative resolution which as mentioned will lie on the Table of the House for three months during which time Members will have the opportunity to read through them (as well as the general public) and let me have their constructive input or criticism of those Regulations. After three months the agreed upon amendments will be made to the Regulations and they will come into Law and clause 114 provides for the repeal of the Traffic Law (Revised).

Madam Speaker, this has taken some time to go through, but as Members and the listening public perhaps know, this is a complete re-write of the Traffic Law. Some of these items were contained in the old Law but because of the duplications and superfluous areas of the old Law it was seen to be necessary to replace that and provide a brand new Law.

As mentioned earlier, with such a comprehensive revision it would not be possible for there not to be one or two matters that will perhaps be raised during debate. As mentioned, I already have about a half dozen areas that have been brought to my attention by members of the public that they feel should go into the Law, so this particular Law will be under constant scrutiny and hopefully will be amended on a regular basis.

There was one particular point brought to my attention by a Member of the House which has to do with the question of appeal against the decision of the Director. I have looked into this matter and I also checked the old Law. There does not seem to have been any provision in the old Law for this and, at this point in time, I will be looking at this further, perhaps in the reinstated, reconvened committee. But it does not seem to be a major omission from this Bill.

Madam Speaker, this Bill streamlines the proposed new Law by styling it as enabling legislation and removing the numerous detailed provisions now contained in the old Law. It is intended to place these details into Regulations where they rightly belong. This will enable amendments to be made far more easily and allow the system to operate without needless delay.

Madam Speaker, as mentioned, this Bill is quite comprehensive. It is divided into eight sections and contains a total of 114 clauses. I will not take up much more time of the House by going into further details of this Bill. However, I believe it would be helpful to Honourable Members and the listening public if I were to briefly deal with the major changes being proposed under this Bill.

Madam Speaker, the fundamental differences between the old Law and the new Law, in my opinion, are as follows:

1. In the old Law vehicle licensing and all related matters were under the auspices of the Commissioner of Police and the Royal Cayman Islands Police Force.

However, under the new Law it is proposed that a civilian body take over these functions. This civilian body is to be attached to the Central Funding Scheme and is to be known as the Department of Equipment and Vehicle Services.

2. The qualifications as regards visitors' permits, as mentioned earlier, were removed from the Bill but in view of the financial constraints of Government and the fact that the amount of funds being lost were quite substantial, it was the decision of Executive Council to have this clause reintroduced.

3. Under the new Law it is proposed to set up a new Public Transport Board which will advise the Governor as regards matters affecting public transport in the Cayman Islands.

This Board is to consist of the Director of Tourism as Chairman, the Commissioner of Police, the Director of the Port Authority, the Director of Civil Aviation and the Principal Secretary for Communications, Works and Agriculture.

In the old Law there was no provision for a Public Transport Board.

4. The new Law deals with the issue of protective measures such as the wearing of seat belts whereas in the old Law there was no mandatory requirements in relation to the wearing of seat belts.

It should be noted in relation to this section however, that a decision was made that different parts of the Law would come into effects at different times and one of the provisions which would not come into effect immediately would be the provision dealing with the mandatory wearing of seat belts. This will be brought into effect in due course.

5. Under the new Law speeding offences will be dealt with as ticket offences so that the offender will no longer have to go to court but if it is his intention to plead guilty to the offence, he will be able to pay a fine at the Courts Office as is done with other minor offences now.

6. A new Traffic Advisory Panel will be set up under the new Traffic Law which will advise the Governor in Council generally, on matters affecting the control of road traffic.

This new Traffic Advisory Panel is to consist of the Commissioner of Police, the Chief Engineer and the Principal Secretary of the Portfolio of Communications, Works and Agriculture.

7. Many of the detailed provisions which were previously found in the old Law have now been removed and placed in Regulations which as I said, is the area where they rightly belong.

In addition, there are some changes to specific areas of the Law and again it might be useful if I briefly describe those changes. Under Vehicle Registration principal changes are where the distinction between registration and licensing is clarified. In the present Law these terms are used interchangeably in many cases and much confusion arises. Also vehicle registration categories have been completely overhauled and the categories are now far more appropriate to the type of vehicles that are used on our roads.

Another major change is that the present Law contains such details as the content of prescribed forms. This should be a Regulation and all such superfluous detail taken from the Law and put into Regulations. The present colour coding of registration plates is fairly redundant and with the exception of different shading between higher vehicles and others serves no purpose. The new Law will rationalise this situation.

Another principal change is that the new Law imposes a positive obligation upon the Keeper of Vehicles to register any vehicle which is to be used on the road. It also allows for the clearing of obsolete vehicles from the Register if they have not been in use for a period of three years. They were the principal changes, Madam Speaker, under Vehicle Registration. Now I would like to turn our attention to certain principal changes under Vehicle Inspection.

The out-of-town location of the new inspection premises is recommended. Rather than using the area right in the centre of town next to the Police Station it is the intention to move this out of the centre of town. Also under Vehicle Inspection, standards of roadworthiness are to be improved and made clearer; vehicle inspectors and police constables will have improved powers to stop unroadworthy vehicles and order them off of the road. Also under Vehicle Inspection the new Law prohibits the use of any vehicle on the road without a certificate of roadworthiness. An exception allows for vehicles to be taken to the testing centre to be repaired.

I have dealt with principal changes under Vehicle Registration, and I would now like to look at some principal changes under Vehicle Licensing. Categories of licensing and fees have been completely updated and made appropriate to the present day situation. These matters will be placed in the Regulations and not in the Law as is normal for the majority of laws which prescribe a Fee Schedule.

Number two, the new Law makes the license coupon effective from the date of its purchase thereby making the re-licensing date the actual date upon which the vehicle was first licensed and not from the first day of the succeeding month. This will have the effect of reducing the bottle-neck of licensing applications on certain dates. In addition, the new Law will abolish the one month grace period making it easier for the Police to perform their duty.

Number three under Vehicle Licensing, licence coupons will be available for periods of one year or six months. The practice of suspension of licensing will be abolished. However, the new Law will expressly provide that only vehicles used on the road will require a licence.

Madam Speaker, I wish to now also look at certain principal changes under Driving Licences. Driving licence groups have been completely reorganised in the new Law. The minimum age for the holding of licence in any particular has been clarified. For certain groups a driver will require a period of road use experience with smaller vehicles of the same type before he can graduate to a larger vehicle group.

The new Law requires that an applicant for a provisional licence pass the written exam before he is granted the licence. This is an important requirement as it means that all new drivers will be familiar with the Road Code before they sit behind the wheel.

The new Law provides the Police with better powers to restrict physically unfit drivers. As mentioned, the provision which was in section 38(2) regarding the drivers of 70 years and over has been deleted.

Visitors' permits will not exist under the new Law as it was in its former shape, but a Committee stage amendment has been introduced to reinstate the visitors' permits.

The driving test will vary for different categories of licences. For example, drivers of heavy goods vehicles and public transport will be required to pass a more exacting test than an applicant for a normal motor car.

The Public Transportation. Under this subhead many of the existing provisions as to the operation of taxis and buses will remain with the present duplication and inconsistencies removed. The new Law will allow for one set of Public Transportation Regulations, thereby removing the present situation where the control of this vital aspect is scattered throughout the existing Law and two sets of Regulations.

Madam Speaker, bus routes will no longer be designated by the Law. The Public Transportation Board will have the power to grant permits for specific routes, thus ensuring that a proper and safe service is provided. The new Law will not allow bus drivers to use their buses for casual hire at the will of the driver in the manner of taxis. Bus stops will be made safer by restricting parking within specific distances of them. Bus stops will have official status by way of a gazette notice.

Madam Speaker, there are also certain miscellaneous matters under the Law which fall under the area of principal changes which I wish to make mention of also.

The Law will allow for a Special Equipment category for example, forklifts, track laying vehicles and other equipment not intended for road use will fall into this category. Special permits will be required to allow this category of vehicles to use the road. The permit may impose special conditions as to timing, routes, etcetera. Special blanket permission may be given in cases where such vehicles would be used on the road for extended period for example, construction equipment working within the road carriage way.

The new Law will restrict the passage of large trucks and tankers carrying hazardous substances. Penalties for overloading vehicles and unsafe loading will be increased to make such dangerous practices unlikely to occur. The offences will also be better defined to allow easier prosecution.

Madam Speaker, I would just briefly touch on the part of the Bill that deals with the control of road use. This part quite clearly sets out how any user of the road is expected to behave on the road for the safety and convenience of all road users. There are few changes in the existing provisions with the exception of the important addition which is the power of the Governor in Council to introduce regulations for the mandatory use of seat belts and other safety equipment.

I believe that this is an important measure as we are all aware that seat belts save lives and can save one from serious injury. It may be that some people might object on grounds of the interference of freedom of choice. We must consider whether these same people have stopped to think about the distress and cost to loved ones and the country caused by a serious injury or death which could have been avoided by the simple clicking of a seat belt buckle. They must also remember that accidents can be caused by another person over whom they have no control.

Madam Speaker, in introducing this Bill I have taken up quite a lot of time because of the comprehensive nature of this Bill for which I have no apologies. However, I would ask each Member to read this Bill in detail and if he has any matters he feels should be brought up in the reconvened committee, I would be more than happy to entertain them. It is important that we study the Bill as it will streamline all aspects associated with the use of the road and the driving of vehicles. It is also a step forward to improve the safety of the many users of our roads.

It may be that the Regulations will introduce increased and new fees for licensing and vehicle registration but it is important to realise that maintaining existing roads, let alone providing new ones, is a very expensive proposition.

In my view it is only fair to the people of this country that the user of the road makes his contribution towards this cost and that the size of the contribution is relative to the use the vehicle owner might get from the road system. Therefore, a big truck should pay more than a small truck and a big bus more than a small one, a taxi more than a private car.

Madam Speaker, I commend this Bill to this Honourable House and ask that all Honourable Members give it their full support.

Thank you, Madam Speaker.

MADAM SPEAKER:

The question before the Honourable House is that a Bill for a Law to Repeal and Replace the Traffic Law (Revised) be given a Second Reading. The motion is open for debate.

Mr. Truman Bodden, Third Elected Member for George Town.

MR. TRUMAN M. BODDEN:

Thank you, Madam Speaker.

This Bill which the Member has just introduced, together with its set of three Regulations, is a very important one, and it is one that I support in principle. In fact, I support substantially all of it. It has arisen, obviously, from a lot of work, and when one looks at the present Traffic Law with its dozens of amendments to the Law and to the Regulations, one will realise that throughout the years since 1976 it has seen a lot of change.

Because of the length of this I will only be drawing attention to some of the areas where I see problems, or where it needs to be looked at once again. I believe, however, that it is important, as the Member has stated, that he continue to have the Committee sitting and looking at this because problems will probably arise in the future.

The first area that I would like to touch on deals with the Licensing Authority. When one looks at this, one immediately thinks that we have an Authority, as we understand an Authority. In effect it is only one person, and that person is the Director. I know the Member has said that this is going to be someone who is outside of the Government, somebody in the private sector. But if we do have an Authority, I wonder whether this should not be perhaps more than one person, even if that aspect of it only relates to major decisions, because the Authority and the Director are vested with very wide discretion and they are vested with a lot of power. His function is set out in section 4, and basically deals with everything that relates to the testing of the vehicles as well as the driving tests.

One of the areas that I think is important, and that we should look at from the practical point of view, is section 9. It provides that a change of ownership should be dealt with in the prescribed form, or words to that effect. At present when one goes to transfer a vehicle what happens is that you have to appear before one of the clerks at the Traffic Department or, alternatively, you have to have a power of attorney. That section is obviously archaic, because in this day and age you can transfer the larger ship under British registry anyhow, or a jumbo jet, and merely have it notarised or witnessed in some way. So I believe that from a practical point of view it would be good if the Regulations covered this. I must say that I read the white paper when I got it three and half weeks ago and I do not remember where it had simplified that process, but I think even if they want it notarised, it would not be too bad; but for someone to have to leave their office, go down there, wait in line to do something that could be done in a much easier way.... It would be better if it could be simplified - witnessed or notarised in some way.

What I notice is missing (and I know it is a problem with the Companies Law as well but something which the Member may want to put to the Committee at a later stage) is where there is a bill of sale, a mortgage on a vehicle, whether that could be noted in some way on the registry to simplify the process, rather than ending up having to go through the now very expensive Public Records Law and taking up a lot of time there. I think it is \$20 or something for the first page these days for recording. People can transfer the vehicle legally even though there is a charge on it. This is a problem which exists not just in this but, as I said, in the Companies Law where you cannot register charges. It would help Caymanians because they are normally the ones who have the mortgages on motor vehicles, if that could be simplified and not too costly.

Section 13 says: "13. No duty shall be chargeable under this Law in respect of motor vehicles of any of the following descriptions,...". I do not know whether that reference is meant to mean the duties imposed under this Law. I guess it must mean that, or whether it would not be dealing with import duty, but it specifically refers to motor vehicle dealers, agents, repairers or traders. I do not know if this was in the earlier Law, but while I agree with it I just wonder whether the definition should not be tightened a little bit. I am not too certain what it refers to as, for example, agents. What type of agents? Maybe these are agents of traders.

There is now the imposition of three times the amount of the licence duty charged where a person uses a vehicle on the road without having paid for it. What I wondered is, in section 14(3)(b), and I know this goes into a little bit of detail, but the Member did read considerable detail there, it refers to a surcharge in addition to the six month fee. This definitely means, as I see it, that there is going to be a penalty in the form of a surcharge put on, where you take out a six month rather than a one year payment for the licensing of the vehicle. If the Member has prescribed that in the Regulations which go out, it would be good to know what that is, or perhaps to get an indication of what it may be.

The section which deals with licences, section 18, is one that, while I do not doubt it follows perhaps the old Law with having no right of appeal, I believe that things have changed since 1976 and I believe that perhaps the time has come when rights of appeal should be put in because one person can make mistakes, whether that person is a judge or a commissioner. This is the beginning of it, it is the Commissioner dealing with special licences.... But I am really referring more to the Director of the Licensing Authority, as he is referred to, where he has wide discretion. This deals with special licences where you are going to move heavy vehicles, for example, at odd times and you have to have a licence for it. That is one section which perhaps should be looked at in relation to having some right of appeal there.

I noticed that section 21(h) referred only to the annual rates of the vehicle licence to be paid. I mentioned earlier that there is a provision for a surcharge on it.

Section 27 has had considerable amendments to it and it seems to me that the thrust of this, as the Member mentioned, was to put back in the question of visitors' licences. It seems (and I do know if this is fully correct) that it may have widened the position in relation to getting a licence which covers a motor scooter. It seems that when you take the reading of this with section 24, which is referred to

in the amending section, a person within subsections (a) to (d) would then fall within this category. It does not seem to specifically refer to types of licences as such.

The section dealing with physical fitness, especially, I think could well deal with some type of appeal as well. The Director has fairly wide powers, even though I realise if a Medical Officer does certify, notwithstanding having certain of the illnesses which I think are either set out in this or in the Regulations (there are about seven categories and some of those such as coronary illness and that sort of thing), that a person is not at risk from the public's point of view. However, it does give the Director, in section 30, the power to revoke the licence of a person who is not physically fit. I have no problem with the section as it is, or the principal of it. What I am saying is that this is a serious matter and it would be good to have some appeal in relation to that section. I know the answer has been given by the Member because I raised, as he did earlier, that it was not in the old Law; but I do not think it should bar a person from an appeal where appeals should be allowed. It does allow for correcting genuine mistakes made by a person, regardless of how perfect he may be.

I am not certain whether the section (when read with the Regulation relating to eyesight) conforms with international standards and tests or not, but it is one of the defects which is there. I remember when reading that, in fact, it referred to corrected eyesight through spectacles, but I would presume that in this day of contact lenses perhaps that section could be widened or maybe have 'spectacles' be defined to include contact lenses, I am not too sure. I think I remember seeing that in the Regulations, and when going through them I will have a look at that.

I am glad to see that there is some testing in relation to learners' licences.

In Section 38(2) (which the Member has removed) it is good to see that at least one Member of Executive Council listens to the public every now and then because so many times we have the public saying one thing, but Executive Council (because they believe in their own might and right that it should not be so) does not follow it. So I commend the Member for that. I do not know whether that is a change of heart now that elections are coming up, or if it is going to continue for the next year or so, but it would be good if a bit of this could be brushed onto the other three Elected Members - I should say at least another one or two of the Elected Members because one other one listens every now and then, I think.

Here we had what was obviously a prejudicing of a class of people. It was seeking not to look at ability but to take the test of age as a criteria for forcing people to sit repeated tests annually. It was obviously one which was prejudicial to people who make up probably one of the most important parts of our society. It is at a time when they really need to have use of a motor car. Already there is a physical test aspect so that the public is protected. There is no question that the public is being protected, and I think this being an annual testing without any basis relating to ability, but only on age was totally wrong. It was not very long ago that the world was run politically by Mr. Reagan who was well in excess of 70 years, and the Russian President who was into his 80s, so I do not think that age should be a bar to anything. They did not seem to have to go through annual tests when they ran the world.

Public transport is a very controversial and difficult area. My one criticism of the Public Transport Board which has been set up is that it seems only to have people who are within Government. I really think that with something like this it would be fair to put people from the private sector on it. I am not saying that these people should not be on it, I am saying that maybe it should be widened to include people who are not directly in Government, or not directly or indirectly subject to the policies and the political directorate of the day.

In fact, this Board becomes very important because it is going to be dealing with the first organisation of public transport. It is dealing with an area which is going to be very difficult to deal with because in the course of attempting to protect the public, sometimes the decisions that have to be made in the interest of the public as a whole may affect a minority adversely. In fact, the clause that gives power to give directions to the Public Transport Board is in such a way that it deals with the general character of the exercise and performance of the Boards' functions.

Now this is totally different from, for example, the public Health Authority where the Member is vested with power to give specific directions on specific matters. I think the way it is set out in this Law, section 42 is the way it should go. If you are going to have a board advising the Governor in Council, and you are going to have the Member who sits in Council sitting on the board giving directions from the Council to himself, then running back up in Council to listen to appeals or whatever... it just cannot be right. So I am happy to see that the Member for Communications has not caught any of the bad habits about ministerial responsibility and direct political control to what should be at least a semi-independent board and body.

I must say that I commend the draftsman on this Bill because it must have taken some very long hours and very painstaking decisions in dealing with it. The comments which I am dealing with there are mainly comments that do not relate to drafting as such. I just wanted to make that clear. But what I am dealing with here is a matter of principle: it is a decision by the Government, as such, and it is not good trying to call a Board or an Authority, or whatever, independent when it is not so. Secondly, it ruins the whole system of having independent or quasi-independent authorities if there is direct control on specific matters.

Section 43 deals with the permits for the omnibus and taxi drivers, and there is a set of Regulations which deal specifically with public transport. I think those involved should have a very careful look at that. The Regulations once again deal with a considerable amount of the "meat" which goes under that section.

I found sections 49 and 50, where there is a penalty of \$1,000 or up to 12 months imprisonment for some of the Regulations which are provided under that, somewhat excessive. It would have been good if that could have been divided up because some are serious and some are not serious. For example, they prescribed that there must be two bumpers on a car. If there is not a bumper on one part of the

car I do not see why that should be caught up with such a heavy penalty. In fact, most of the Regulations here are really not such that should carry a heavy penalty. That is an area that, perhaps, the Member could once again get his Committee to look at. I know it is discretionary, but when you put a heavy penalty on as a maximum, the judges are guided thereby.

I am not saying that it may not have been the same under the old Law, but that is not the answer. I think we are dealing with the present. What has happened in the past, while it is relevant, should not necessarily control what we are dealing with here. This, as I said, had some very simple things in it, such as reflectors and lighting equipment, and if they prescribed certain things and they are not so, then I think it is something that people should just be fined for.

On the annual inspection of vehicles: I believe, looking at the general principles here, that it probably would have been good for the Member to have stated that new cars, or cars that are three or four years old, only need to be tested every two years or so. I do not know the reason why we are remaining with annual inspection for all cars, with the amount of cars on the road now. Perhaps this is something which could be looked at. Maybe in the first two years, or the first four years there could be a provision for two-year inspections only. It is good to know that this is going to be dealt with in a different and perhaps more expeditious way, even though I must say that within recent years (the last year or two) the Police have been quite efficient when doing inspections on vehicles, at least during the times I have seen them there, and from my office I can actually see the inspection area.

The duties of road users: I do not remember seeing whether the Road Code had been overhauled as well, but perhaps that is something which could be referred to the Committee. The one thing that I would ask is that whatever tests (and I know that is another section) are going to be given to drivers, that there be a prepared book which has all of the answers in it, because the tests which are now given... some answers are in the Law, some are in the Code and quite frankly I found some of them very difficult as a lawyer to find the answer to. To pass this test, if I remember correctly out of the Regulations, it is necessary to score 80 per cent. So it is probably much higher than either the senior police or the lawyers, or perhaps the judges, who have to qualify have to reach. I am not saying that it should not be that way, but all of the answers must be in some booklet whereby people can study it and go in and find it there. For some of the questions in this, one had to delve into the Law to find the answers. I do not think that is quite right because if that takes away 5 per cent or 10 per cent, then, basically, the pass rate is pushed up by that amount.

I do not know how well the section on seat belts is going to go down locally, but I believe it is in the interest of safety. I would recommend it. I think it will save lives. But, as the Member mentioned there, I believe there has to be some tolerance in the beginning because people are just not always accustomed to wearing them. I sometimes find (at least when I am directly involved in defending and prosecuting for that part) that many times the Police pick people up for extremely minor offences and charge them when they could have warned them. When I reach that section I want to mention that. But, especially where people have been doing or not doing something... unless there is a wide educating of the public, then I believe the Police will need to be tolerant in this area.

I think that most of the other sections in this are about the same as before.

Now, what I think is important under section 66, which is Police evidence in case of accident, is that when Police go to the scene of an accident (and this does use the words "made by a constable", but presumably will include people of higher ranks) that they get as much evidence as they can at the time, on the spot. It will not be in the interest of good justice for them to do a quick sketch (which is what this is referring to, 'a sketch map') and perhaps not get the names of witnesses or the plate numbers of other cars, the drivers of which may have seen it. Statements should be taken once they move them and clear the traffic. I am not saying hold up the traffic, but I think that the traffic police need to get all of the evidence they can when they are at the scene of an accident because many times it is not until afterwards that you realise the value of a specific piece of evidence. While it does hold traffic up somewhat, I believe as soon as measurements and sketches are made and photos taken, then, naturally, traffic can move on. The other matters I am referring to can be done while the vehicle is off of the road.

The heavy sections which deal with causing death by dangerous, reckless or careless driving seem to follow and to keep to the penalties which have existed for some time before. Perhaps not in relation to the fines, but at least I know on the imprisonment areas of it, it does.

Perhaps the more controversial areas are those relating to driving while under the influence of drugs or alcohol. One of the things I wonder about, which must come up quite often in court (and I know I have mentioned it before to the Honourable Attorney General) when interviewing witnesses, or getting confessions, or whatever, is if we could try to move nearer to what is happening in other countries and have it either videotaped or put on a cassette tape.

What would be good, as with the metre which deals with speeding, is if there could be a printout. I know it states in section 72(3) that anyone who operates one of these testing machines has to have another constable present, but it would avoid a lot of argument in court and otherwise if there was a printout which registered how much alcohol, or what speed the person was going with a date and a time. These machines have been updated in most other areas. You can get something like a blood pressure machine which is very low cost. For example, it will give you a printout with the time and the date. I note that Regulations are going to prescribe the minimum under this section, and I do not know whether something that serious should be left to the Regulations or not.

The section which deals with speeding is section 77 and, as I mentioned, perhaps the prescribing of that radar speed metre if it could have the printout, I think it would be good. I understand that speeding offences are now coming under the "Ticket" offences. These and the "Ticket" offences as

they are listed here will speed up the process and it will be very convenient to the public. I would implore the Police to use this. It would save a lot of the court's time and it will save a lot of time for the people. I assume that the "Ticket" covers speeding offences. If not, I would ask if the Member, in his winding up, would address it.

In relation to the Penalties section which deals with areas such as disqualification for licences, suspension orders, and endorsements of licences, these appear to put the onus of proof on the offender. Because this is peculiar to his knowledge, I think it is acceptable in instances like this, and has always been at least in Traffic Laws.

The one criticism that I have of the Traffic Advisory Panel, under section 93, is that this should include people from the private sector. In fact, it would be good if there could be people, either co-opted, if not directly placed on this Panel, who are within the areas affected. I think that listening to people who are directly affected by things, while there can be a conflict of interest (and I am not trying to push that aspect) is good. It is good to hear their opinion before, perhaps, seeking to advise the Governor in Council to deal with things like traffic control.

On pedestrian crossings in section 96: In some other countries, such as the United Kingdom, there are yellow blinking lights on either end of pedestrian crossings. I believe this would be an improvement because sometimes drivers do not see tourists until they are nearly on them, and that could maybe save people from being hurt. Once there is a blinking yellow light, I think it would draw attention to the pedestrian crossings. I think there is only one which has traffic lights, which is at the Hyatt Hotel. I am not referring to that now, I am referring to the blinking lights.

Traffic signs: I think a lot has been done by the Police with those and they have really improved them considerably. I noticed that the penalty in section 100 for defacing, altering or obscuring traffic signs is now up to \$1,000 or six months imprisonment. Perhaps during the next election some very good advice has to go out to all of our supporters on where to place stickers which promote the election.

One of the things which I would like to see, because it is a wide power, is in section 101 which deals with the erection of road blocks and barriers. Subsection (6) says:

"101(6) No action shall lie against the Government or against any member of the Royal Cayman Islands Police Force for damages in any civil court in respect of personal injury or damage to property caused as a result of any act bona fide done pursuant to this section."

I think that is really pushing it a bit far, even if it had said "any reasonable and bona fide act." But to excuse them from civil and criminal liability as a result of personal injury done with these road blocks is giving the immunity too wide a scope. I think that even though emergency vehicles, Police, ambulance, etcetera, can exceed the speed limits, or break traffic laws, they are still subject to civil liability, and they run a risk if they go through a red light that if someone hits them and they are in the wrong, civilly, then, they are liable. I really believe that this section perhaps goes a bit far because it excludes not only the criminal liability but.... I am sorry, this deals only with the civil liability, presumably there would be no criminal prosecution either. There never is when it relates to things where speed limits are broken, for example, in the pursuit of someone who is speeding.

Perhaps one of the sections that could have been put in under section 102, which is road works, is that where road works are carried out the road must be put back in the same condition that it was in prior to its being altered or dug up.

Now I know there is a Roads Law, and perhaps that is the most appropriate place for it, but one of the problems that we have these days is that the Authorities will cut trenches across the road or on the side of the road and they do not properly fill it back. So you either have a mound or, in most instances, you have a ridge or a little ditch in the road. The best example of this is driving along West Bay Road where you hit about 20 or 30 fairly deep ditches in the road. Something should be put somewhere to state that if the Water Authority, or Caribbean Utilities, or Cable and Wireless, or the Sewage Authority (which I know is the Cayman Water Authority) carries out any road works then they should have it repaired back to the proper condition.

I have raised this many times with the Member, so has the other Member for George Town, the Member for Tourism. Public Works keeps saying, "Oh, but you know, sometimes we fix it back." And sometimes they do fix it. If Public Works is not capable of fixing it, they should not undertake to do it. I really believe that there should be some type of penal section because the misfeasance and nonfeasance sections that relate to where if you dig a hole in the road and you do not properly fix it and a vehicle hits it and there is damage, then you can sue whoever caused the hole to be there which caused the damage. But since nobody seems to use the civil sections, I think something should be put in as a penal section, maybe in the Roads Law, which would specify that they must put it back to the condition it was in before, or be subject to a fine with no right to cut more trenches until they have repaired the ones they made.

I know that does not help the Member because I keep saying to him that he needs to repair the old roads before he builds the new ones. But when it applies to these Authorities perhaps he would see reason with me and look at that under the Roads law.

I know that the section on vicarious liabilities (section 107) is found in the old Law, but I wonder if the Committee could either define the words "or otherwise" or remove them. It seems to go somewhat wide where it merely refers.... I had better read this because a lot of people sometimes think that because they have a company they are excluded from criminal liability or tortious liability. It says:

"107. Where a corporation is convicted of an offence under this Law or regulations, any director or

officer found by reason of his negligence *or otherwise* to be responsible for the conduct of the corporation giving rise to the conviction shall be punishable with any punishment provided by this Law or regulations for that offence."

That is a fairly serious section because it says, "by reason of his negligence." While I know I said it was in the other Law, perhaps some of the degrees of negligence used under criminal law (even though I know there are arguments as to what is gross negligence or what is culpable negligence and this sort of thing) leave some areas of doubt. I believe that it would be good to get the criminal element of negligence in it rather than what just appears to be pure negligence. It surely must be, because under this section a person, an officer of a company, could be put in prison. There has to be something more than the mere civil negligence that would cause this to arise. I agree with the principle of it... and I am not arguing with that, but if this could be polished up in the future, I think it would be good.

Why the Member chose to have the Regulations subject to a negative resolution rather than a positive one, I am not sure. I guess it is a lot simpler to have it dealt with especially if it comes during a long Legislative Session, as the three months run by quickly.

Those were basically my comments on the Law. The Member went into the Regulations, and while I do not want to spend a lot of time on these, because they are going out to the public, there are one or two areas that I felt I could make some comment on.

In relation to the procedure, I am dealing with the Traffic Regulations, 1991...

MADAM SPEAKER: Honourable Member, would you take a suspension at this time?

MR. TRUMAN M. BODDEN: Yes, Madam Speaker.

MADAM SPEAKER: The House will be suspended for 15 minutes.

AT 4:01 P.M. THE HOUSE WAS SUSPENDED

HOUSE RESUMED AT 4:28 P.M.

MADAM SPEAKER: Please be seated.
Proceedings are resumed. The Third Elected Member for George Town continuing.

MR. TRUMAN M. BODDEN: Thank you, Madam Speaker.
I was just finishing with the Law and going on to the Regulations. I would like to just point out that it was really the Backbench and the Third Elected Member for West Bay who moved the motion that had the speeding offences brought under the section where tickets can be written for them, thus saving the public the trouble of going to court, and save the court a lot of time. I am glad that was finally brought in.

Under the Draft Traffic Regulations which were laid on the Table, in Regulation 5 there is a \$10 fee for having the vehicle inspected. I do not know whether the Member gets his vehicle inspected by having somebody else take it in, or whether he goes himself, but you stand in line to pay \$10, then you have to come back to get it tested, and then you have to get in line to pay the \$130. What I would strongly suggest is that they add the \$10 on to the \$130 so we could pay at one time, because it must be rare that somebody goes to get their car passed and the inspector inspects it and they do not ever return. So I do not believe that the Government would lose any money. It sure would cut down on the amount of paper work, the amount of receipts written and, from the public's point of view, it would be really helpful because it would cut the time down of standing in line, by half.

MOMENT OF INTERRUPTION - 4:30 P.M.

MADAM SPEAKER: Honourable Member, it is now 4:30 p.m.

SUSPENSION OF STANDING ORDER 10(2)

HON. THOMAS C. JEFFERSON: Madam Speaker, under Standing Order 83, I move that Standing Order 10(2) be suspended to allow the House to go on until 5:30 p.m.

MADAM SPEAKER: The question before the Honourable House is that Standing Order 10(2) be suspended in order that proceedings may continue until 5:30 p.m. I shall put the question. Those in favour, please say Aye... those against, No.

AYES.

MADAM SPEAKER: The Ayes have it. Standing Orders are accordingly suspended.

AGREED. STANDING ORDER 10(2) SUSPENDED IN ORDER THAT PROCEEDINGS MAY CONTINUE UNTIL 5:30

P.M.

MADAM SPEAKER:

You may proceed, Honourable Member.

MR. TRUMAN M. BODDEN:

Thank you.

I notice that in Regulation 7 they are talking about displaying a coupon on a trailer. Madam Speaker, they are going to have to get coupons that are made out of something other than paper if they are going to be stuck on trailers and left out in the rain. I do not know how practical that really is. I really believe that if they are going to prosecute people for that then they cannot prosecute if the coupon is destroyed through acts of God, be it rain or mud on the road. In any event, I really believe that some amount of tolerance has to be given in relation to where trailers, for example, are travelling. I am talking mainly about boat trailers now. They would be travelling during the day and it is extremely difficult to keep lights on trailers (which go in the sea) running all of the time. If it is at night I could well understand picking somebody up and prosecuting them, but if it is during the day, very little harm is done.

One could say that the signal does not go on, but, quite frankly, on most of those trailers the turning signals are not what most people rely on anyhow because you can normally see the car or the truck. But I really believe if they are going to prosecute now for not having these stickers, as they are commonly called, on trailers, they are going to have a lot of people to prosecute.

Another section I wanted to comment on is section 16. I am not certain in section 16(2) why it is the Commissioner of Police who is going to be dealing with driving instructors. I wonder whether that is a carry-over from the old Law, because it does not seem to be falling within what the new Law is prescribing for him to do.

The section I referred to before was Regulation 21(d) which refers to defective vision, to a standard of vision less than 6/12 with spectacles. I think you need to add contacts or something to that effect in there. That section is quite important. It is the prescribed disabilities, and I think it has to be handled by the Director fairly carefully.

Many of the other sections here seem to be really in line with what is reasonable. What I did find a little bit awkward was in Regulation 30(7)(a) where they have specifically stated that a bicycle has to have one light fixed in front which may or may not be capable of being dipped to the left, one rear light attached to the off-side rear fork, and a reflector visible from the rear. I would have thought that if it is somewhere in the rear it would have been sufficient because I do not see people who are going to ride bicycles getting that sort of detail on it.

I commented on witnesses and evidence a bit earlier.

Maybe I am not understanding this correctly, but what I found in

Regulation 40(2) says:

"40(2) To prevent dangerous obstruction by stationary vehicles, the Commissioner may cause yellow lines to be painted in the centre of any road and, save in any emergency, no vehicles shall at any time park on any part of such road where such lines are painted."

I do not believe that is an internationally understood situation because a yellow line in the middle of the road, instead of on either side of it, in most countries means that you do not cross over. I think the Member should look, and maybe get rid of, that section because he has enough other places relating to yellow lines on the sides.

On school crossing and school crossing patrols I would ask once again that the blinking lights go in. What I think would improve the traffic at schools is if there could be a further lane added so that cars could pull off to drop children off. In the mornings there is quite a back up, and most drivers will drop children off near these school crossings. I asked a bit earlier that police be there more often, as they are there only some of the time. It would speed up the situation there. We have been very lucky that no children have really been hurt in traffic there, but I think it would add to the safety if another lane, of limited length, be put there and if we could have the lighting at the school crossings as well as at the pedestrian crossings.

In Regulation 43 there is the displaying of a 30 mph sign on the heavy trucks. But I notice there is nothing about the displaying of the 20 mph sign which used to be in the old Law. I think they should drive slower in the 25 mph and 30 mph zone the same as they have to slow down in the 50 mph and 40 mph zone to 30 mph and 20 mph, normally.

There is a section on the significance of the traffic light. I guess I had better not comment on that, but they do assist with traffic flow.

I would also like to see under Road Marking that Public Works use the coloured, white or yellow, asphalt or concrete type of sign markings rather than just spraying the paint on the road. It has to be time consuming and a waste of money to have to continually keep painting signs on the road rather than having it put on a more permanent fashion.

I am just about reaching the end of these Regulations. I am only going to comment very briefly on one other one because I believe that the public should have a very good look at these, and that there should be as much feed back as possible.

I notice that in Regulation 10 it says:

"10. No bus may operate for hire or reward unless it is insured by a policy of accident insurance in a form approved by the Member, issued by an insurer approved by the Financial Secretary."

Surely, it would take the politics out if it were reduced to one

approval. If the Financial Secretary has to approve the insurer then he may as well approve the insurer's policy at the same time and it would save that duplication. Secondly, it would remove the politics from it, because someone, at some stage, will come by and say it was not approved by the Member because he did not vote for him last time, or something like that.

In Regulation 16 there is a very peculiar section which says: "16. A bus need not pick up a person who appears to be under the influence of alcohol or drugs." I do not know whether the section continuing on which says, "who appears to be creating a nuisance," should not be put in. The fact that somebody is standing by the road and he may have had a drink... in fact those who are standing there, provided they are well behaved, probably need to be picked up by a bus and taken home more than other people. So I believe the criteria should not be whether he is under the influence of alcohol, but whether the person under the influence of alcohol is being a troublesome person. Otherwise, I guess late at nights the bus might not be able to pick anyone up, at least in front of the clubs.

I notice in Regulation 21 that the Board is going to impose a limit on the number of vehicles which may be licenced as buses and taxis. I really think that some guidelines should be put in and it should not be left as an absolute discretion because this could directly limit Caymanians from getting a licence. I am not saying that there should not be a limit; I do not know, maybe there should be. What I am saying is there should be some criteria laid down for the Board to exercise its discretion. That criteria would give some guideline. We have to remember that Caymanians generally have a right to carry on a business. They have nearly an absolute right to a Trade and Business Licence to do just about anything. I guess a few exceptions to that is the right to be a lawyer where there is a specific law and one or two others of that sort which impose qualifications prior to the licence.

Maybe what needs to happen here in Regulation 21 is to put this on the same basis as a Trade and Business Licence, and if a person is a Caymanian and fulfills the other criteria, at least he does not come under the absolute discretion. I do not know where the problem is being caused there but I believe it could prejudice Caymanians.

I also notice the Board has the right to revoke a licence where the taxi driver or the bus driver or owners, do not have any right of appeal. In this instance especially, it could be the person's means of making a living, and that could be taken away from him in this instance without a right of appeal.

Now I know the Member may be advised of the prerogative writs because this is one of the few times that I see more attorneys on the Government side of the House than over here (even though the Member for Education I know is not sitting there now). I know that the prerogative writs can really stop a bad miscarriage of justice, but I think that perhaps some right of appeal should be looked at to be put in there.

So, in summary, I would like to commend the Member for Communications and Works, his Traffic Committee and his "draftsladies" (I should call them) who have dealt with this. Obviously, they have put in a lot of time and effort. It is highly controversial. I have (as I always do when Government is right) given them support, and this is one time that I believe that support is warranted. I hope that on coming into effect we will see definite improvements in the interest of the Caymanian society as a whole.

Thank you.

MADAM SPEAKER:

If no other Member wishes to continue the debate, I will ask the Honourable Member for Communications and Works if he would like to reply.

HON. LINFORD A. PIERSON:

Thank you, Madam Speaker.

I would like to thank the Third Elected Member for George Town for his very comprehensive debate of this Bill. I have to be careful, as we seem to be throwing so many bouquets at each other today it could be taken wrongly, but I would like to thank him. I think he made a very good contribution to this very comprehensive Bill.

I made some notes on some of the things he said, and I will be taking these back rather than trying to answer them all here today, especially in regards to the Regulations which will be laid on the Table of the House for three months to enable all Members and the public to make their input and to let me have their recommendations.

At this time I will not make any comments on those points made under the Regulations, but would just mention in regard to the point made under section 4 where it was mentioned that the Director seems to have a very powerful position under the Licensing Authority acting alone. This is basically a replacement for the powers which were granted to the Commissioner of Police who acted in that same position. It would have been difficult to had have two individuals in charge, so this is the reason why the Director acts alone with his officers.

As regards another point which he made under section 107, vicarious liability, I would just mention that because this is a criminal statute the Law contemplates that this would be criminal negligence involved here. As I stated, we will be looking closely at these particular points which have been raised.

The Member raised an important point also under section 102 and this was in regard to provision for the reinstatement of roads. This is a matter which has given Government and the Public Works Department some amount of problems because of the difficulties in the settlement of the roads since they are reinstated. Sometimes they have to be in place from three to six months before they can be fully tested. This is an ongoing problem and under constant surveillance and examination.

The point regarding the pedestrian crossing has already been

discussed with the Chief Engineer of Public Works. As regards blinking lights, I think that was a very good point raised by the Third Elected Member for George Town, and I will be bringing this up again with the Traffic Law Committee when it is reconvened.

Madam Speaker, as stated, the points that were raised by the Member are some very good points indeed, and they will be taken back to the reconvened committee when we look at some of the other matters which I mentioned earlier that will be directed back to them. I want to thank all other Members, who by their silence I hope are giving their support to this most important Bill.

I thank you, Madam Speaker.

MADAM SPEAKER: The question before the Honourable House is that a Bill entitled the Traffic Law, 1991 be given a Second Reading. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

MADAM SPEAKER: The ayes have it.

AGREED. THE TRAFFIC BILL, 1991, GIVEN A SECOND READING.

MADAM SPEAKER: The House will go into Committee to consider this Bill clause by clause.

I am sorry, we need to deal with another Bill so that we can go into Committee on both of these. I do apologise. On both Bills, the Tax Concession.... both Bills.... Committee on both Bills. I am sorry, I seem to be getting mixed up here. I do apologise.

The Tax Concessions (Amendment) Bill, 1991, Second Reading.

THE TAX CONCESSIONS (AMENDMENT) BILL, 1991

CLERK: The Tax Concessions (Amendment) Bill, 1991.

HON. THOMAS C. JEFFERSON: Madam Speaker, I beg to move the Second Reading of a Bill entitled a Bill for a Law to Amend the Tax Concessions Law (Revised).

Madam Speaker, having amended the Companies Law over a period of years and having then consolidated that Law recently, we found that the quotation in the Tax Concessions Law of a particular section in the Companies Law which is in the definition relating to exempted companies that Tax Concessions Law (Revised) states that an exempted company means a company registered as an exempted company under section 80 of the Companies Law. That is no longer the case. Due to the amending of the Companies Law on consolidation that section under the Companies Law is now section 182, thus the reason for the amendment to the Tax Concessions Law (Revised).

I recommend it to Members.

MADAM SPEAKER: The question is that a Bill entitled the Tax Concessions (Amendment) Law, 1991 be given a Second Reading. The motion is open for debate. If there is no debate and the mover has no other comments, I would like to.....

HON. THOMAS C. JEFFERSON: Madam Speaker, only to thank the Members for their support.

MADAM SPEAKER: The question is that a Bill entitled the Tax Concessions (Amendment) Law, 1991 be given a Second Reading. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

MADAM SPEAKER: The ayes have it.

AGREED. THE TAX CONCESSIONS (AMENDMENT) BILL, 1991, GIVEN A SECOND READING.

MADAM SPEAKER: The House will now go into Committee to consider the clauses of the Traffic Law, 1991, and the Tax Concessions (Amendment) Law, 1991.

HOUSE IN COMMITTEE

COMMITTEE ON BILLS

MADAM CHAIRMAN: Please be seated. As is customary, it is assumed that the Committee will agree that the Honourable Second Official Member would make any minor amendments which may be found in these Law. We will be dealing with the Traffic Law, 1991. I am going to ask Madam Clerk to deal from Part I to Part II.

THE TRAFFIC BILL, 1991

CLERK:

PART I - INTRODUCTORY

CLAUSE 1. Short title and Commencement.
CLAUSE 2. Interpretation.

PART II - REGISTRATION AND LICENSING OF VEHICLES

CLAUSE 3. The Licensing Authority.
CLAUSE 4. Functions of the Director.
CLAUSE 5. The Register.
CLAUSE 6. Registration of motor vehicles.
CLAUSE 7. Certain new vehicles exempt from registration.
CLAUSE 8. Registration plates.
CLAUSE 9. Alterations of particulars to be recorded in the register and certificate of registration.
CLAUSE 10. Termination of vehicle registration.
CLAUSE 11. Importation and use of certain vehicles prohibited.
CLAUSE 12. Charge of duty.
CLAUSE 13. Exemptions from duty.
CLAUSE 14. Commencement and duration of licences, rate of duty.
CLAUSE 15. Continuous liability for duty, suspension of vehicles licence.
CLAUSE 16. Issue and exhibition of licences.
CLAUSE 17. Duplicate licences.
CLAUSE 18. Special licences.
CLAUSE 19. Trade plates.
CLAUSE 20. Bicycle tags.
CLAUSE 21. Regulations.

MADAM CHAIRMAN: The question is that clauses 1 through 21 do stand part of the Law. If there is no debate, I shall put the question. Those in favour please say Aye...Those against No.

AYES.

MADAM CHAIRMAN: The Ayes have it.

AGREED: CLAUSES 1 THROUGH 21 PASSED.

CLERK:

PART III - LICENSING OF DRIVERS OF VEHICLES

CLAUSE 22. Unqualified persons not to drive.

HON. LINFORD A. PIERSON:

Madam Chairman...

MADAM CHAIRMAN:

I wonder whether the Clerk could read the clauses under Part III and then we will come back because that is the particular part which had the majority of amendments?
Good. Thank you.

CLERK:

CLAUSE 23. Persons not to drive motor vehicles unless. licensed or authorised.
CLAUSE 24. Qualification to drive.
CLAUSE 25. Persons who are not licensed or authorised to drive.
CLAUSE 26. Persons who may be licensed.
CLAUSE 27. New residents and certain visitors may be authorised to drive, international driving licence.
CLAUSE 28. Saving of licences and tests under the old law.
CLAUSE 29. Requirements as to physical fitness of drivers.
CLAUSE 30. Revocation of licence because of disability
CLAUSE 31. Provision of information, etc., relation to disabilities.
CLAUSE 32. Driving with uncorrected defective eyesight
CLAUSE 33. Learner's licences.
CLAUSE 34. Conditions under which learners may drive and penalty for offences.
CLAUSE 35. Tests of competence to drive.
CLAUSE 36. Grant of licences.
CLAUSE 37. Form of licences.
CLAUSE 38. Duration of licences.
CLAUSE 39. Powers of arrest.
CLAUSE 40. Regulations.

MADAM CHAIRMAN: The Honourable Member had circulated various proposed amendments. Would you like to deal with them now, please?

HON. LINFORD A. PIERSON: Thank you, Madam Chairman.
A Notice of Committee Stage Amendment on clause 22(3) that clause 22(3) of the Bill should be amended by omitting "on indictment" and substituting therefore "on summary conviction". That is in 22(3).

Madam Chairman, if I may continue to the other?

MADAM CHAIRMAN: Yes, please.

HON. LINFORD A. PIERSON: On clause 27 that clause 27 of the Bill be amended as follows:

- (a) in sub-clause (1) by omitting "if he satisfies the conditions specified in subsection (3) below.", and substituting therefore the following:-

"if -

- (a) he satisfies the conditions specified in paragraphs (a) - (d) of section 24; and
(b) he is the holder of a valid driving licence authorising him to drive such a motor vehicle in another country.";
- (b) by omitting sub-clauses (2) and (3) and substituting therefor the following sub-clauses:-

(2) A person lawfully visiting the Islands who -

- (a) is qualified to drive a group of vehicles for the purposes of paragraphs (a) - (d) of section 24; and
(b) is the holder of a current driving licence issued in his country of residence in respect of that group of vehicles,

may be issued with a permit in the prescribed form to drive a vehicle of that group and, if that group does not include a motor scooter, a motor scooter in the Islands -

- (c) on production of his driving licence; and
(d) on payment of the prescribed fee.

(3) In subsection (2) "motor scooter" means a mechanically propelled vehicle having two road wheels used for the transport of people, with a power unit of a cylinder capacity of eighty cubic centimeters or less and having no gears or clutch that requires operation by the rider, and includes a moped.

(4) A permit issued under subsection (2) is valid -

- (a) while the visitor is on the Islands; or
(b) for a period of 6 months from the date of issue,

being whichever period is the shorter.

(5) If requested to do so by a uniformed constable the holder of a permit issued under subsection (2) shall produce -

- (a) the permit; and
(b) his current driving licence; and
(c) proof of payment of the prescribed fee for the permit,

to the constable.

(6) A vehicle hire firm gazetted as such may purchase in bulk from the

Director blank forms of the permits referred to in subsection (2) for issue, in accordance with that subsection, to visitors hiring vehicles from the firm.

(7) A vehicle hire firm that issues a permit in accordance with subsection (2) shall -

- (a) ensure that the form of permit is completed in duplicate and signed by the visitor; and
- (b) give the original of the permit to the visitor and retain the duplicate for production to the Director if so required.

(8) A vehicle hire firm may return unused blank forms of permit to the Director who shall refund the amount paid for them.

- (c) by renumbering sub-clauses (4), (5), (6) and (7) respectively (9), (10), (11) and (12)."

Madam Speaker, they were the two in respect of clauses 22 and 27 and now the amendment as regards clause 38. It reads:

"BE IT RESOLVED that clause 38 of the Traffic Bill, 1991, be amended by:

- (i) deleting sub-clause (2) in its entirety; and
- (ii) renumbering sub-clause (1) as "38"."

MADAM CHAIRMAN:

Do all Members have copies of the proposed amendments?
I will put the question then that clauses 22 through 40 stand part of the Bill as amended in clauses 22, 27 and 38 as read by the Honourable Member.
Do any Members have any comments on these proposed amendments, the first amendment to clause 22(3) and the amendments to clause 27 or 38?
I shall put the question that these amendments as proposed in clause 22, 27 and 38 be accepted. Those in favour please say Aye...Those against No.

AYES.

MADAM CHAIRMAN:

The Ayes have it.

AGREED: AMENDMENTS TO CLAUSES 22 AND 27 PASSED.

MADAM CHAIRMAN:

The question now is that clauses 22 through 40 as amended do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

MADAM CHAIRMAN:

The Ayes have it.

AGREED: CLAUSES 22 TO 40 AS AMENDED PASSED.

CLERK:

PART IV - PUBLIC PASSENGER VEHICLES

- CLAUSE 41. Establishment of Public Transport Board.
- CLAUSE 42. Governor may give directions.
- CLAUSE 43. Permits for omnibus and taxi drivers.
- CLAUSE 44. Revocation and suspension of permits.
- CLAUSE 45. Matters to be taken into account by Board.
- CLAUSE 46. Permit not a driving licence.
- CLAUSE 47. Conditions for driving passengers for hire or reward and penalties for contravention.
- CLAUSE 48. Regulations.

PART V - CONSTRUCTION AND USE OF VEHICLES AND EQUIPMENT

- CLAUSE 49. Regulation of construction, weight, equipment and use of vehicles.
- CLAUSE 50. Offence where regulations are contravened.

CLAUSE 51.	Authorisation of use on roads of vehicles not complying with regulations under section 49.
CLAUSE 52.	Appointment of vehicles inspectors.
CLAUSE 53.	Imported vehicles to be inspected before use on the road.
CLAUSE 54.	Issue of certificate of roadworthiness.
CLAUSE 55.	Annual inspection of vehicles.
CLAUSE 56.	Powers of vehicles inspectors and constables.
CLAUSE 57.	Using uninspected vehicle.
CLAUSE 58.	Regulations as to inspection and testing.

MADAM CHAIRMAN: The question is that clauses 41 through 58 do stand part of the Bill. If there is no debate I shall put the question. Those in favour please say Aye...Those against No.

AYES.

MADAM CHAIRMAN: The Ayes have it.

AGREED: CLAUSES 41 THROUGH 58 PASSED.

CLERK: PART VI - CONTROL OF ROAD USERS

CLAUSE 59.	General duty of road users.
CLAUSE 60.	Duties of drivers.
CLAUSE 61.	Duty to give name and address and penalty for contravention.
CLAUSE 62.	Seat belts: Adults.
CLAUSE 63.	Restriction on carrying children not wearing seat belts in motor vehicles.
CLAUSE 64.	Wearing of protective headgear and penalty for contravention.
CLAUSE 65.	Duty to stop and furnish particulars in case of accident.
CLAUSE 66.	Police evidence in case of accident.
CLAUSE 67.	Causing death by dangerous or reckless driving.
CLAUSE 68.	Dangerous or reckless driving.
CLAUSE 69.	Careless driving.
CLAUSE 70.	Person charged with certain offences may be convicted of a lesser offence.
CLAUSE 71.	Driving vehicle when intoxicated etc.
CLAUSE 72.	Procedure when a person is suspected of having committed an offence against section 71.
CLAUSE 73.	Retention of Vehicles.
CLAUSE 74.	Obtaining licence, or driving while disqualified.
CLAUSE 75.	Unlawful use of vehicles.
CLAUSE 76.	Motor racing on roads.
CLAUSE 77.	Speed limit offences.
CLAUSE 78.	"Ticket" offences.
CLAUSE 79.	"Ticket" procedure.
CLAUSE 80.	Service of notice if fine is not paid.
CLAUSE 81.	Enforcement of proceedings against owner.
CLAUSE 82.	Rent-a-vehicles.
CLAUSE 83.	Miscellaneous offences.
CLAUSE 84.	Trial of offences.
CLAUSE 85.	Fine and imprisonment.
CLAUSE 86.	Driving record.
CLAUSE 87.	Effect of order of disqualification.
CLAUSE 88.	Obligatory disqualification.
CLAUSE 89.	Discretionary disqualification.
CLAUSE 90.	Power to suspend order.
CLAUSE 91.	Endorsement of driving record and the effect thereof.
CLAUSE 92.	Regulations.

MADAM CHAIRMAN: The question is that clauses 59 through 92 do stand part of the Bill. If there is no debate I shall put the question. Those in favour, please say Aye... Those against, No.

AYES.

MADAM CHAIRMAN: The Ayes have it.

QUESTION PUT: AGREED CLAUSES 59 THROUGH 92 PASSED.

CLERK: PART VII - THE CONTROL OF TRAFFIC

CLAUSE 93.	Traffic Advisory Panel.
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CLAUSE 94.	Parking at yellow lines.
CLAUSE 95.	Taxi ranks.
CLAUSE 96.	Pedestrian crossings.
CLAUSE 97.	Regulations.
CLAUSE 98.	School crossing patrols.
CLAUSE 99.	Vehicle pounds.
CLAUSE 100.	Traffic Signs.
CLAUSE 101.	Erection of road blocks or barriers.
CLAUSE 102.	Road works.
CLAUSE 103.	Obstructions on sidewalk, etc.

PART VIII - MISCELLANEOUS AND GENERAL

CLAUSE 104.	Offences and penalties relating to documents.
CLAUSE 105.	Powers of constables.
CLAUSE 106.	Obstruction of police.
CLAUSE 107.	Vicarious responsibility.
CLAUSE 108.	Power to require motor vehicle to be weighed.
CLAUSE 109.	General penalty.
CLAUSE 110.	General power of arrest.
CLAUSE 111.	Application to the Crown.
CLAUSE 112.	Fees to be paid into Treasury.
CLAUSE 113.	Regulations.
CLAUSE 114.	Repeal and savings.

MADAM CHAIRMAN: The question is that clauses 93 through 114 do stand part of the Bill. If there is no debate I shall put the question. Those in favour, please say Aye... Those against, No.

AYES.

MADAM CHAIRMAN: The Ayes have it.

AGREED: CLAUSES 93 THROUGH 114 PASSED.

CLERK: A Bill for a Law to Repeal and Replace the Traffic Law (Revised).

MADAM CHAIRMAN: The question is that the Title do stand part of the Bill. If there is no debate I shall put the question. Those in favour, please say Aye... Those against, No.

AYES.

MADAM CHAIRMAN: The Ayes have it.

AGREED: TITLE PASSED.

MADAM CHAIRMAN: That concludes proceedings in Committee on the Traffic Bill, 1991. The next Bill is the Tax Concessions (Amendment) Law, 1991.

THE TAX CONCESSIONS (AMENDMENT) BILL, 1991

CLERK: **CLAUSE 1.** Short title.
 CLAUSE 2. Amendment of the Tax Concessions Law (Revised).

MADAM CHAIRMAN: The question is that clauses 1 and 2 do stand part of the Bill. If there is no debate I shall put the question. Those in favour, please say Aye... Those against, No.

AYES.

MADAM CHAIRMAN: The Ayes have it.

AGREED: CLAUSES 1 AND 2 PASSED.

CLERK: A Bill for a Law to Amend the Tax Concessions Law (Revised).

MADAM CHAIRMAN: The question is that the Title do stand part of the Bill. I shall put the question. Those in favour, please say Aye... Those against, No.

AYES.

MADAM CHAIRMAN: The Ayes have it.

AGREED: TITLE PASSED.

MADAM CHAIRMAN: That concludes proceedings in Committee on a Bill entitled the Traffic Law, 1991 and the Tax Concessions (Amendment) Law, 1991.
The House will resume.

HOUSE RESUMED

REPORTS ON BILLS

THE TRAFFIC BILL, 1991

MADAM SPEAKER: Please be seated. Proceedings are resumed. Reports.

CLERK: The Traffic Bill, 1991.

HON. LINFORD A. PIERSON: Madam Speaker, I have to report that a Bill shortly entitled the Traffic Law, 1991 was considered by a Committee of the Whole House and passed with amendments to clauses 22, 27 and 38

MADAM SPEAKER: The Bill is set down for Third Reading.

THE TAX CONCESSIONS (AMENDMENT) BILL, 1991

CLERK: The Tax Concessions (Amendment) Bill, 1991.

HON. THOMAS C. JEFFERSON: Madam Speaker, I have to report that a Bill shortly entitled the Tax Concessions (Amendment) Law, 1991 was considered by a Committee of the Whole House and passed without amendment.

MADAM SPEAKER: The Bill is accordingly set down for Third Reading.

THIRD READINGS

THE TRAFFIC BILL, 1991

CLERK: The Traffic Bill, 1991.

HON. LINFORD A. PIERSON: Madam Speaker, I beg to move that a Bill shortly entitled the Traffic Law, 1991 be given a Third Reading and passed.

MADAM SPEAKER: The question is that the Traffic Bill, 1991 be given a Third Reading and passed. I shall put the question. Those in favour, please say Aye... Those against, No.

AYES.

MADAM SPEAKER: The Ayes have it. The Bill has accordingly been read a Third time and passed.

AGREED. THE TRAFFIC BILL, 1991, GIVEN A THIRD READING AND PASSED.

THE TAX CONCESSIONS (AMENDMENT) BILL, 1991

CLERK: The Tax Concessions (Amendment) Bill, 1991.

HON. THOMAS C. JEFFERSON: Madam Speaker, I beg to move that a Bill shortly entitled the Tax Concessions (Amendment) Law, 1991 be given a Third Reading and passed.

MADAM SPEAKER: The question is that a Bill entitled the Tax Concessions (Amendment) Law, 1991 be given a Third Reading and passed. I shall put the question. I shall put the question. Those in favour, please say Aye... Those against, No.

AYES.

MADAM SPEAKER: The Ayes have it. The Bill has accordingly been read a Third time and passed.

AGREED. THE TAX CONCESSIONS (AMENDMENT) BILL, 1991 GIVEN A THIRD READING AND PASSED.

MADAM SPEAKER:

Government Motions, or do we wish to adjourn at this time?

ADJOURNMENT

HON. THOMAS C. JEFFERSON:

Madam Speaker, I believe the Members are growing weary so, as it is a few minutes before 5:30 P.M., we could grant them the concession and I move that this House adjourn until 10 o'clock tomorrow morning.

MADAM SPEAKER:

The question is that this Honourable House do now adjourn until 10 o'clock tomorrow morning. I shall put the question. I shall put the question. Those in favour, please say Aye... Those against, No.

AYES.

MADAM SPEAKER:

The Ayes have it. The House is accordingly adjourned.

AT 5:19 P.M. THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M., FRIDAY, 13TH DECEMBER, 1991.

**FRIDAY,
13TH DECEMBER, 1991
10:18 A.M.**

MADAM SPEAKER:
Trade.

Prayers by the Honourable Member for Tourism, Aviation and

PRAYERS

HON. W. NORMAN BODDEN:

Let us Pray.

Almighty God, from whom all wisdom and power are derived: We beseech Thee so to direct and prosper the deliberations of the Legislative Assembly now assembled, that all things may be ordered upon the best and surest foundations for the glory of Thy Name and for the safety, honour and welfare of the people of these Islands.

Bless our Sovereign Lady Queen Elizabeth II, the Queen Mother, Philip Duke of Edinburgh, Charles Prince of Wales, Diana Princess of Wales and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, the Members of Executive Council and Members of the Legislative Assembly that we may be enabled faithfully to perform the responsible duties of our high office.

All this we ask for Thy great Name's sake, Amen.

Let us say the Lord's prayer together:

Our Father who art in Heaven, Hallowed be Thy Name, Thy Kingdom come, Thy will be done in earth as it is in Heaven; Give us this day our daily bread, and forgive us our trespasses, as we forgive them that trespass against us; And lead us not into temptation, but deliver us from evil; For Thine is the Kingdom, the power and the glory, for ever and ever. Amen.

The Lord bless us and keep us: the Lord make His face shine upon us and be gracious unto us: the Lord lift up the light of His countenance upon us and give us peace now and always. Amen.

MADAM SPEAKER:

Please be seated. Proceedings in the Legislature are resumed.

Presentation of Papers and of Reports, Second Interim Report of the Select Committee on the Rights of Children, Young Persons and Women.

PRESENTATION OF PAPERS AND OF REPORTS

**SECOND INTERIM REPORT OF THE SELECT COMMITTEE ON
THE RIGHTS OF CHILDREN, YOUNG PERSONS AND WOMEN**

CLERK:

Madam Speaker, on behalf of the Select Committee on the Rights of Children, Young Persons and Women, I would like to lay on the Table of the House the Second Interim Report.

MADAM SPEAKER:

So Ordered.

CLERK:

The Committee was established on 23rd July, 1990 on the passing of Private Member's Motion No. 9/90 moved by Mr. Truman Bodden, Third Elected Member for George Town and seconded by Mr. Roy Bodden, First Elected Member for Bodden Town. The motion read:

"WHEREAS Government has promised from some time to review the Juvenile Legislation and has not brought forward new Legislative proposals;

AND WHEREAS the Caribbean Parliamentary Symposium on the Rights of the Child, attended by the seconder of this motion and two other Members of this Honourable House, passed a resolution on the 3rd of October, 1989, which noted that inter alia:

"Children are more vulnerable than any other group of human beings and therefore need comprehensive legal and social protection, as set forth by the convention on the rights of the child, and the commitment of Government leadership at all levels, including the very highest.";

AND WHEREAS the Symposium further recommended inter alia:

"That the Governments of the region adopt a convention on the rights of the child at the 1989 United Nations General Assembly, and encourage its prompt ratification in order to work for a better future of the child of the world.";

NOW THEREFORE BE IT RESOLVED THAT this Honourable House appoint a Select Committee of the Elected Members and the Honourable Second Official Member to study and make recommendations for the introduction of comprehensive legislation and develop programmes, particularly through the media, to prevent children, young persons and women from being victims of physical and emotional violence, neglect, sexual abuse, drug and alcohol addiction."

In accordance with the motion as passed, Madam Speaker, all Elected Members of the Legislative Assembly and the Second Official Member are Members of the Committee. A chairman has not yet been nominated. In accordance with the provisions of Standing Order 72(1), I wish to report on behalf of the Committee that it has not yet met and that its work remains to be considered and concluded.

During the 1990 and the current Session of the Legislative Assembly, Members gave precedence to the work of two Select Committee, namely the Select Committee Established to Review the Cayman Islands Immigration Legislation and the Select Committee to Review the Cayman Islands Constitution Order, 1972.

SECOND INTERIM REPORT OF THE SELECT COMMITTEE OF THE WHOLE HOUSE TO REVIEW TRANSPORTATION SERVICES

MADAM SPEAKER: The Second Interim Report of the Select Committee of the Whole House to Review Transportation Services.

CLERK: Madam Speaker, I also wish to table the Second Interim Report of the Select Committee of the Whole House to Review Transportation Services.

MADAM SPEAKER: So Ordered.

CLERK: On 9th March, 1990 the Legislative Assembly passed Private Member's Motion No. 7/90 moved by Mr. John J. Jefferson Jr., Third Elected Member for West Bay and seconded by Mr. Gilbert A. McLean, Second Elected Member for Cayman Brac and Little Cayman. The motion read:

"WHEREAS there is considered to be some dissatisfaction amongst operators employed in the Transportation Services Industry;

AND WHEREAS growth in the tourist industry is dependent among other things upon the existence of good transportation services;

BE IT RESOLVED THAT this Honourable House appoint a Select Committee consisting of all Honourable Members to review the conditions that exist in the transportation services industry and report back to this House its findings and recommendations as soon as possible."

In accordance with the motion as passed, Madam Speaker, all Members of the Legislative Assembly are Members of the Committee. A chairman has not been nominated.

In accordance with the provisions of Standing Order 72(1), I wish to report on behalf of the Select Committee that it has not yet met and that its work remains to be considered and concluded.

As in the previous report during the 1992 Session of the Legislative Assembly Members agreed to give precedence to the work of two Select Committees, namely the Select Committee Established to Review the Cayman Islands Immigration Legislation and the Select Committee Established to Review the Cayman Islands Constitution Order, 1972.

REPORT OF THE SELECT COMMITTEE OF THE WHOLE HOUSE TO CONSIDER THE NATIONAL PENSIONS BILL, 1991

MADAM SPEAKER: The Report of the Select Committee of the Whole House to Consider the National Pensions Bill, 1991, the Honourable Elected Member for Health and Social Services.

HON. D. EZZARD MILLER: Madam Speaker, I beg to lay the First Interim Report of the Select Committee on the National Pensions Bill, 1991 on the Table of this Honourable House.

MADAM SPEAKER: So Ordered.

HON. D. EZZARD MILLER: Madam Speaker, on 25th June, 1991 the National Pensions Bill, 1991 stood referred to a Select Committee in accordance with the provisions of Standing Order 49(1) at the conclusion of the Second Reading Debate thereon. In accordance with the provisions of Standing Order 69(2) the Speaker nominated myself, the Member responsible for the Portfolio of Health and Social Services, the mover of the Bill, to be Chairman of the Select Committee.

In accordance with the provisions of Standing Order 72(1) the Select Committee wishes to report that it has not yet met to consider the National Pensions Bill, 1991 and that its work remains to be considered and concluded.

The Select Committee agrees that this Report be the Report to be laid on the Table of the Honourable House during the current, the Fifth Budget Meeting, of the 1991 Session.

STATEMENTS

APPOINTMENT AND OPERATIONS OF SELECT COMMITTEES

MADAM SPEAKER:

Thank you.

Before we proceed further, I would like to make a few comments on the appointment and operations of Select Committees. I have observed that Select Committees have been appointed from 1989 and continue through to 1991. They are different from Standing Select Committees. The Standing Select Committees are Finance Committee, Business Committee, Standing Orders of the House, which operate for the life of our Legislature which is at present four years.

In cases where Select Committees are unable to complete their work, Standing Order 72(1) provides that they make a report before the end of the Session. "Session" under Interpretation means meetings of the House commencing when the House first meets after being constituted, or after its prorogation.

Select Committees are normally for the Session and the Session ends with the prorogation thereof. This means that all Select Committees must be reinstated at the beginning of the next Session which would be February, 1992 and should not be allowed to go on ad infinitum without reconstitution. So it is proposed that at the beginning of February, 1992 the Financial Secretary would do an all-embracing motion covering all of these Select Committees to reinstate them to operate for a further year. Thank you.

The next item Statement by Member of Government, the Honourable the First Official Member, Leader of Government.

AMENDMENT TO PRESENTATION ON THE MISCELLANEOUS FEES BILL

HON. THOMAS C. JEFFERSON:

Madam Speaker, for the record I would like to amend my presentation on the Miscellaneous Fees Bill which I made to this Honourable House on 11th December.

The section of my presentation which reads as follows and I quote:

"Additional revenues of between \$3.3 million and \$3.6 million could be raised as a result of the duty increase. As a consumer of electricity Government will find its annual expenditure on electricity will rise. In 1989 Government paid \$1,164,985 to CUC of which only \$1,660 can be assumed to have contributed to diesel duty. After the proposed diesel duty increases had been implemented, it is estimated that Government will have to pay an additional \$2,004 in diesel duty per annum. Since incremental expenditure directly resulting from the tax [increases] amount to less than one-tenth of one percent of incremental revenue generated, Government can be assured of gaining substantially more than it will have to spend to raise the revenue." (*Hansard 11 December, 1991 page 1358*)

This entire section is to be replaced by the following and I quote:

"Additional revenues of between \$3.5 million and \$3.9 million could be raised as a result of the duty increases. As a consumer of electricity the Government will find that its annual expenditure on electricity will rise. For example, in 1991 the Government expects as per the 1991 Revised Estimates, to spend \$1,625,000 on electricity of which approximately \$231,000 can be assumed to contribute to diesel duty collections. After the proposed diesel duty increases have been implemented, it is estimated that Government will have to pay \$462,000 in diesel duty per annum assuming current levels of demand."

Madam Speaker, we missed a decimal place in putting forward the original Report.

MADAM SPEAKER:

Thank you. Government Business, Motions. Government Motion No. 8/91, the Development and Planning (Amendment)(No.2) Regulations, 1991. The Honourable Member for Communications, Works and Agriculture.

GOVERNMENT BUSINESS

MOTIONS

GOVERNMENT MOTION NO. 8/91 THE DEVELOPMENT AND PLANNING (AMENDMENT)(NO.2) REGULATIONS, 1991

HON. LINFORD A. PIERSON:

Madam Speaker, the draft Development and Planning (Amendment)(No.2) Regulations, 1991 having been laid on the Table of this Honourable House in accordance with

section 35(3) of the Development and Planning Law (Revised), I now beg to move Government Motion No.8/91 to amend the Development and Planning Law which is Amendment No.2 to the Regulations, 1991 which reads as follows:

"WHEREAS by section 35(3) of the Development and Planning Law (Revised) it is provided that no Regulations shall be made pursuant to the provisions of the Law unless a draft thereof has been laid before the Legislative Assembly and a resolution approving the draft has been passed by the Assembly;

AND WHEREAS pursuant to section 35(3), a draft of the Development and Planning (Amendment)(No.2) Regulations, 1991, has been laid before this Honourable House;

BE IT RESOLVED that this Honourable House do approve the said Development and Planning (Amendment)(No.2) Regulations, 1991."

Madam Speaker, the amendment reads as follows:

**DEVELOPMENT AND PLANNING LAW (REVISED)
THE DEVELOPMENT AND PLANNING (AMENDMENT)(NO.2)
REGULATIONS, 1991**

"In exercise of the powers conferred upon the Governor by section 35(1) of the Development and Planning Law (Revised) the following Regulations are hereby made -

Citation.1. These Regulations may be cited as the Development and Planning (Amendment)(No.2) Regulations, 1991.

Amendment.2. Subregulation (4) of regulation 7 is amended by deleting paragraph (a) thereof, and substituting the following new paragraph -

"(a)in George Town - within the area enclosed from a point on the waterfront map reference MM593 331, thence in a northerly direction along such waterfront to map reference MM597 344, thence due east to the edge of the road reserve of North Church Street, thence southerly along the western road reserve boundaries of North Church Street, Harbour Drive and South Church Street to map reference MM594 331, then due west to the point of commencement, new buildings or additions to existing buildings may be permitted but any such buildings (including ancillary buildings, structures and walls) shall not at any point be closer than 75 ft. to low water mark PROVIDED THAT this restriction shall not apply to any works carried out by the Highway Authority established under the Roads Law where the works are for the protection of the existing road against undermining or scouring by the sea or to any works carried out by the Port Authority established by the Port Authority Law where the works are for the improvement of the George Town Port facility;"

This was made in Council and approved by Executive Council. Madam Speaker the waterfront area of George Town is a valuable natural resource. It provides open vistas to the sea, imparts a tropical island charm and ambiance to George Town and provides for residents to maintain their cultural ties with the sea by offering open areas where boats can be stored and launched and fish cleaned. Additionally, the cultural activities and the beauty of the area serve as attractions to the many tourists which we encourage to visit these Islands.

The waterfront also serves as a land-based support system to the many new marine related commercial activities that have been created as a result of the tourist industry. In 1977 when the current regulations were approved, the Cayman Islands lacked the vibrancy that it now has in tourism. Construction activity was limited and most of the George Town waterfront was open. Given the economic and political conditions in the Cayman Islands the 1977 Development and Planning Regulations and other periodic legislations, when promulgated, acted as catalysts for development.

Since 1977 the George Town waterfront has become increasingly developed. In addition to servicing the needs of the tourist industry and thereby providing jobs for local residents, there has been negative impacts associated with development of the foreshore. Views, access and the cultural activities associated with access have declined. The potential and in some instances, actual occurrence of runoff to the sea has increased. Runoff occasioned by periods of heavy rains and/or storm activity brings with it toxins and natural materials which are damaging to the marine environment.

Toxins include oil and asbestos particles from roadways and parking lots. Marl fines and other silt are natural materials which have the potential to smother coral polyps thereby rendering the popular dive sites in the Marine Parks severely degraded ecologically and unproductive economically. The materials enter the marine environment via filled and developed lots. Additionally, the flat, vertical surfaces of seawalls fail to dissipate wave energy in the fashion that the natural ironshore does. Rather, they deflect the wave as a mass and thus increase turbidity in the area creating another process through which suspended solids that can and will adversely affect the marine environment.

In addition, the amount of waterfront development which has occurred has increased, both pedestrian and vehicular traffic congestion downtown. Various initiatives are

proposed to alleviate these conditions and this proposal has a vital part to play.

Madam Speaker, for the reasons mentioned above, that is loss of use, increased adverse impacts on the ecology of the area, loss of access to the sea, a curtailment and possible elimination of cultural activities and the sheer level of development that has taken place on the George Town waterfront, I am presenting this amendment to this Law for acceptance, to this Honourable House.

What we seek to gain is the protection of a way of life in retaining the George Town waterfront as we have come to know it. Given the increase in visitors to the Marine Park, in numbers of developments along the foreshore, and the proximity of these developments to the sea, it would be unreasonable for us to continue to allow additional development so near to the sea.

The 1972 Development and Planning Regulations required any land on which development was proposed to be least 150 feet from the centre of the adjacent roadway to the sea at all points. The minimum setback at the time was 50 feet from the high water mark. Had these Regulations not been amended most of the property on the George Town waterfront would have remained vacant. It was seen fit to alter the requirements for various reasons in 1977.

In 1991 various reasons for change have once again emerged. These, as I outlined briefly before, are environmental protection, cultural preservation, and the relations for posterity for our children's children what our forefathers enabled us to inherit.

This includes access to the sea so that we can continue to fish and swim, views to the sea that we cherish and that have proven as well to be an economic draw for tourists. Additionally, we have been left a healthy marine environment which we must, because of increasing development pressures, protect or else stand to forfeit what we have gained.

Madam Speaker, I have taken the precaution of not tying the Islands' hands in the likely event of effective necessary fortifications to roads that are threatened by undermining from wave action.

Similarly, to facilitate improvement of the Port Authority facility works in this area which should be permitted by all means.

There has been, Madam Speaker, substantial public debate on the need for more protective measures for the George Town waterfront. Our people have spoken. There have been a number of letters in the papers criticising recent developments on the waterfront and there are individuals who would say that maybe we should continue to develop the waterfront but for the reasons which I have mentioned here today, I think it is our responsibility as responsible legislators to ensure that we protect the waterfront against further damaging developments.

This proposed amendment is an attempt at realising such a measure. I would therefore, ask for the support to this important and necessary amendment from all Honourable Members of this House.

Thank you, Madam Speaker.

MADAM SPEAKER:

approve the said Development and Planning (Amendment)(No.2) Regulations, 1991. The motion is open for debate. The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN:

Madam Speaker, these Regulations are one of many ad hoc approaches that Government has taken to dealing with planning in the Cayman Islands.

I want to state at the beginning that I agree, in principle, with the preservation of a reasonable amount of ironshore, beach and waterfront. Having said that I would like to show that Government is going about dealing with this property in a way which is totally wrong and unacceptable. So my debate is going to deal not with the question of what we should preserve but the way that we go about preserving it.

The first thing that is repulsive in this is that the Government has sought to exempt itself from the Law. The proviso which is put in this Regulation states:

"PROVIDED THAT this restriction shall not apply to any works carried out by the Highway Authority established under the Roads Law where the works are for the protection of the existing road against undermining or scouring by the sea" [and that is not too bad, I do not have too much to say there] "or to any works carried out by the Port Authority Law where the works are for the improvement of the George Town Port facility;".

Why is Government's ironshore different from private people's ironshore? You cannot have one Law for the people and one Law for Government. It is on this basis why this Government and specifically the Member for Communications and Works and on another issue the Member for Health got into trouble because here you have them saying, "Look, let us preserve all that is good, preserve the vista, preserve the Marine Parks," but the Port Authority which is Government's need not do it.

This is where things being to break down. Whatever is running into the sea in the line of oil and asbestos comes from Government. They do the roads, they have the Port. More junk goes into the sea from the Port and the roads than from people's private ironshore. So let us put the thing in the correct context. Let Government clean up its problem first and then let us look at the private people's ironshore. So this has begun on the wrong basis. I want to point out that in the 1977 Regulations, Regulation 7(4) did not exclude Government.

My second point, Madam Speaker, is that if Government is going to seek to amend the setbacks and to make private people's property useless or less valuable, then it should do so in accordance with the procedure laid down for the Development Plan because the Development Plan is what deals also with setbacks and everything else.

The whole intent of the Development and Planning Regulations and the Development Plan itself was that where you are going to change materially any areas that relate to these, then you should do so in accordance with a procedure laid down in the Law.

Do not get me wrong. What is being done the Member for Communications and Works can legally do but he is circumventing the Law and what he is doing is to deprive the private citizen, to deprive Caymanians, as I will show because the foreigners are already through the loophole, of firstly, a right to make objections or representations in accordance with the Law and secondly, for any right to compensation. This cannot be right.

The Development Plan that they often tell us should have been revised, we made it in 1977 and it expired, I think, about two years before the Government finished but it is now being revised. The Member for Communications and Works has continuously brought these little pieces of legislation or motions and most of the time it has been to assist foreigners.

The Development and Planning Law states, and I would just like to read this briefly in section 8, when you are preparing, altering or adding to a Development Plan:

"8(2) Notice shall be published in a public newspaper circulating in the Islands in two issues in each of two consecutive weeks that the Authority has prepared in draft any such plan, and of the place or places in each district where copies of such plan or proposals may be inspected by the public.

(3)(a) If any objection or representation with regard to any such plan or proposals is made in writing to the Authority within two months after the publication of the notice referred to in subsection (2), the Governor shall refer the matter to the Tribunal..."

and it shall consider the objections or representations and then that comes on to the Legislative Assembly. That is the proper procedure which should be followed when you are going to affect private property and especially in this instance where you are going to make some of the property totally useless and depreciate most, not all, but most. The parcels that are still deep enough to be used become far more valuable because all of the small parcels become valueless.

We saw this before in this House just a short time ago where the proper procedure in accordance with the Law was at least carried out in relation to the dump in George Town. There you had the Member for Health at least go through the proper procedure. However, in that instance there were questions that the notice was not very clear and we know what happened there. When the people objected, it was stopped.

In a democratic country you cannot take away the private property rights of a person and give them no right to have a say under the Law, and give them no right to compensation. The Member is removing both the right for people to make representations to an independent tribunal, which is the Appeals Tribunal under this Law, and I am going to go on to show next that he is also excluding the compensation clauses.

So basically, what he is doing is to make private land valueless or less valuable while he excludes himself, Government and Port Authority, and he is circumventing the democratic process. I would have hoped by now he has understood that the communist countries have found out that this has not worked for them. They are all going democratic these days.

So we have a situation where in Government's panic on whatever may have been written about the waterfront, and I am all for protecting such ironshore as we can but I come back to the situation, it has to be done in the right way. You just cannot jump in headlong and do things in this sort of way. It is like taking a bulldozer and running down a man's house before you pay him the compensation and before you even tell him to get out of it in time. This just is not done. You must give people the rights that democratically are due to them.

Further, Madam Speaker, what will happen is in sections 25 and onwards, which is where the compensation for refusal of planning could apply, he has circumvented this as well.

This states:

"25(1) If on a claim made to the Authority in the manner prescribed by regulations made under this Law, it is shown that, as a result of a planning decision involving a refusal of permission or a grant thereof subject to conditions, the value of the interest of any person in the land to which the planning decision relates is less than it would have been if the permission had been granted or had been granted unconditionally, then the Authority shall, subject to the provisions of this Part, pay to that person compensation of an amount equal to the difference."

So, we then find that if Government wants to take a decision to blight or to make useless the property along the waterfront, then let the Planning Authority say no to the application and let the compensation flow with it. But what we cannot do is, on the one hand, say we are not going under the Development Plan which will give people the right to have representation and we are not going to do it in such a way that Planning has to make a refusal.

So what we then come back to and I want to only deal with this

indirectly, is that obliquely relevant to this is the fact that unanimously the Legislative Assembly's Elected Members have decided to put in a Bill of Rights in the Constitution.

The Bill of Rights which they are looking at is the Turks and Caicos' which I agree with. I was one who agreed to it that that should go in. I do not have any qualms there. While not exactly on the point, the principle is the same. There is protection from deprivation of property. It states in it, and this deals with where Government actually acquires the land but this is a good reason why this should be altered where Government makes land useless other than for its own purposes. You have to remember this, "other than for its own purposes" because if the Port decides that it wants to put a dock out from the Pageant Beach property and I understand the Member has stopped the blighting before it hits that property, or if it wants to extend the dock in the harbour here, this Law does not apply to it.

Section 72 of the Turks and Caicos Constitution which is the one which we will be adopting, says:

"72 (1) No property of any description shall be compulsorily taken possession of, and no interest in or right over property of any description shall be compulsorily acquired, except where the following conditions are satisfied, that is to say -

(c) Provision is made by a law applicable to that taking of possession or acquisition -

(i) for the prompt payment of adequate compensation; and

(ii) securing to any person having an interest in or right over the property a right of access to the Supreme Court..., [our law will have to be altered there, the access we now have goes into the Magistrates Court before an Assessment Board]

(d) giving to any party to proceedings in the Supreme Court relating to such a claim the same rights of appeal as are accorded generally to parties to civil proceedings in that court sitting as a court of original jurisdiction."

It deals, I must say, with the acquisition where Government takes the property. But I say there is no difference between Government saying your property is useless but Government can take it and use it and saying that they are going to take the property and acquire it.

Having dealt with those points, because I know this is going to arise, let me just mention that within this area is property on which my father's store sits but under my father's will that does not come to me and I have no direct pecuniary interest in it. So I make that statement now. But I do believe that perhaps one other person here may have a pecuniary interest in one parcel of land.

What I must say is that while his parcel would be increased because it will be one of the few parcels and this may not have been uppermost in anyone's mind, I am not trying to say that. But parcels that are large enough to fall within this 75-foot setback are very few and the value of them will go up because nowhere else in the small parcels will you be able to build.

Where has this problem arisen? It has not arisen because we have had rash decisions anywhere other than in Executive Council where people have blighted and covered the ironshore, it has been normally where Executive Council has granted the right to fill in coves and bays.

The best example is next to my father's property. They filled the bay in and they put up a two-story building. Up the road here, that sparked this, Dr. Roy's property, or ex-property, why was it not requested that if they wanted to put the building down then maybe put some parking across the road or something, I do not know. But the problem with it has not been the building in most instances it has been putting down a wall and filling it in to put down parking.

In most instances to get the property's boundaries up to the 50 feet what has happened is that Executive Council has given approval to fill up the coves. This is where the asphalt and asbestos the Member is trying to go to the public with is coming from. It is coming from the act of Executive Council which makes the property big enough so that the Planning Authority can give the permission.

Now this Regulation is not really going to deal with the problem in George Town fully, anyhow, because it seems to me that you do not have to abide by the 50-foot setback to fill in the property and to put a wall not exceeding 4 feet around it. The walls are right against the edge of the sea. The problem has not been in the building having to be set 50 feet back, it is in the wall of the parking lot going into the sea. This Regulation does not touch it.

I do not know how the people have managed to build a wall two feet from the sea. Some are built in the sea. For those Caymanians who have got it, I say, good to them. But what does not seem fair at this stage is to take and blight the property of other people. If Government wants that property it must follow the correct procedure.

Some time ago, Madam Speaker, we appropriated some \$300,000-odd which was earmarked to buy property in South Sound from the Ladner and Donny Watler Subdivision coming north, the narrow strip along South Sound down to where the Member is now putting in the dock, which is good. He did buy that piece of land and I commend him on that. But we appropriated the money to buy all of the rest of that land.

Where has that money gone? It is up in the Jennet "L"? Is it down buying land for the dump? Is it up to buy land for the Hospital? I do not know if Government was interested in trying to preserve property when money had been appropriated to preserve a very lovely area of South Sound

which could not otherwise be built on. It was not going hurt anyone very badly. Why did they not buy it? No, they have other priorities.

Now what I find, Madam Speaker, that gets worrying is where you have Government taking a rash approach, as it is now doing, giving people no right to objection or representation to an independent tribunal where it obviously is not going to pay any compensation. How does the foreign investor see the Cayman Islands if he can believe his property can be dealt with and blighted in this way? Believe me, it is not just that little piece of coast line to which this can be done. It is a dangerous precedent the Government is setting.

If you have a piece of land that is 100 feet by 100 feet and suddenly the Member for Communications and Works gets a few letters saying that land which is less than 100 feet by 100 feet, or 200 feet by 200 feet, whatever, the setback should be 150 feet and leave nothing to build on. It can be applied to all other coastlines around the Island.

I guess perhaps the thing that hits home most heavily in this is that now that the foreign people who own the land have built what they wanted, done what they wanted with their property, now that the bull is out of the stable, the Member is shutting the door on the few Caymanians who remain with property on the waterfront. Most of those people have been people who have really done nothing with their land. They have left it there and tried to conform as best they could. But to now take away the value and to take away the right to do anything with that property, while excluding Government, cannot be right. Even if they included Government, it would not be right. Obviously what is being done is one Law for the voters and another Law for Government.

Now when we look at instances along that waterfront and we find for example, Dr. Roy's ex-property, and by the way let me mention this, motions were brought to this House by the Member for Communications and Works to change the land use. He went about it the right way, he went under the Law to enhance the value of both Dr. Roy's property and the property, I think it was probably to the south of it, next to Mrs. Hurlston's property.

So motions have come here mainly for foreign people to enhance their value because the rest of it was somewhere down along the beach up in the swamp that he was changing the use from one thing to another to help people with. This has been the approach that the Government has taken. The building there has gone down, the damage is done.

As we come to the south of that you begin to run into some Caymanian's property then you hit another piece of property there which has a little hamburger place on it, which I understand is owned by a foreigner. Next to that is the Cayman United Presbyterian Church. I do not know. Are they 75 feet from the road? I do not know, but I am just going to show you it is not just hitting private people it is now hitting the Church. That is one of the few pieces of property other than the piece on which the Church stands that is there.

You come further down and I think you go through other people's property there and then you hit the Port which has naturally destroyed what I am sure it wishes. You go further down where the Desnoes and Geddes Building was. It seems like they already got most of what they wanted.

Then you keep coming down and when you get to the example that perhaps, what should I say, has been most unsightly was where they stopped, under this same Law, Mrs. Madge Goldburn putting down what I think was a little bathroom or something on the back of her place there for something like 10 years.

Yet, all along Executive Council, not just this one, let me just make that clear, some of it was given by the one before. To the best of my knowledge in my eight years, we filled up nothing there. We refused consistently in areas where we felt there were problems or maybe there were no applications, I do not know.

You have instances where the people that are being blighted and hurt now are those people who are Caymanians and have held on to it. I understand some of that property near the theatre changed hands for well over \$100,000-odd. What I am saying is that we are not looking at small money here. Those are Caymanians.

I think just down the road from that in front of the Agricultural Department is probably Mr. Pappy Connolly's. They have permitted him to put a wall there and fill it in. Now he suddenly is going to find, having spent the money on it, another 25 feet of his property gone. Can he build? I do not know. I am not saying he cannot. What I am saying is that the approach which is taken with this has to be wrong.

If the Member can go through the proper process when he is trying to enhance the value of say the ex-Dr. Roy property, or the property to the south, or the property somewhere down in Governor's Harbour, then why can he not go through the proper procedure for this?

I do not believe that this is going to deal with what the Member wants in the correct way because at this stage the foreign people and they probably paid for that land, do not get me wrong. I am not singling that out. I am just saying what this has arisen over is a foreigner building there and what it is affecting are the Caymanians.

I want to make one thing clear. Yesterday the Member for Communications and Works mentioned that I was throwing bouquets at him and he did not want any misunderstanding with the public on it. Well, neither do I. I want to make it abundantly clear that I am not going to run in the 1992 Elections with him and I will put that beyond the doubt. All right? So I do not want him or the public to misunderstand that.

I support it, when I can support Government. I support

Government as I did the Member yesterday. He was right on what he was doing. I supported it all of the way, even if he had some misunderstanding on what I was doing. I was supporting a good Law, for the good of the public of the Cayman Islands. I was not supporting him as the Member. That is not the way I operate.

So today things are different and in the next motion or the following motions, my position could well be with the Government when they write them with him. So what I would like to say is that it is useless, naturally, to attempt to bring motions or anything here because it is very obvious that the goodly Member on our side, behind me supports Government in most things it brings.

One thing I did not understand on this, I notice that the grid reference 594 331 has changed from 330 to 331. I do not know whether that makes the area larger or whether it makes it smaller. I do not have any way of knowing that because that is a technical point unless the Member tenders it when he is winding up.

I know that things have been said about people being worried about speaking because of the last word but it does not worry me in instances like this because when you are right, having the first word or the last word does not matter. This is my position in relation to this Regulation which is now before us.

In summary, I want to repeat because I know there is going to obviously be some controversy with Government in this area, that I agree, in principle, with Government preserving as much open space, as much ironshore, as much beach, as much property and as much heritage that it can for the good of the people of the Cayman Islands. I agree with that principle.

I believe that in the eight years of Government that I was in from 1976-1984, we bought more land for Government and we bought more property than any other Government did in eight years, including things like the Tower Building, very expensive pieces of property. I am not against that, but we bought it, we did not take it. We never acquired one thing compulsorily in eight years.

And when these Regulations were brought in in 1977 we went from district to district and people had a right to have their say, they had a right to object and at the end of it we then put together what the public wanted. Believe me, at that time, if the public had not wanted it they would have had the marches they had two years earlier against the Government when they were trying to bring a plan through they did not want. So this plan began the right way with the people having an input.

My first objection, therefore, is that the Regulations that are being brought now exclude Government even from the 50-foot mark, so the Port Authority can therefore, build a building right up against the edge of the water. They are not even caught up, as they were before, as everybody was, with the 50-foot setback.

The Port Authority under these Regulations is no longer caught up by a setback and if they decide to put down a four-story Customs Building or a four-story Port Authority Building, or whatever is necessary for the work of the Port Authority then they can do so right into the sea. So that is the first point that I am making.

This Law is exempting the Port Authority. So if the Government was genuine in its view that it was trying to preserve the ironshore, it would apply it to itself too. But we know that they have plans to extend the Port, to put in all sorts of facilities and they are going to have to cover up a lot of that ironshore and they are going to have to take out a lot of those rocks that are out there that the Member is talking about preserving.

If was worried about preserving rocks in the harbour, he would put down the permanent moorings so the tour ships do not pull them up every day. But they are not interested in that. That money has gone into land somewhere else probably.

My second point in summary is that if this was going to be done, the Member should have brought forward, I think by now, the full Development Plan, or at least have brought forward an amendment to the Development Plan which gives people some right to make representations to make objections. He knows that procedure because it was used when they were changing the uses of property. The problem came in with the dump and that was an example of where other people's property was being made useless by Government's actions. Naturally, there were enough people there to stop it. There are very few people left along the waterfront so I guess that makes it a bit simpler for the Member.

The other point is that there is a circumvention of such of the compensation clauses that exist in the Development and Planning Law because if it is ruled out under the Regulations then it will never be refused because it does not comply with the Law. So basically these do not come into operation.

The other point is that having just put in a Bill of Rights dealing with compensation to people and having property wrongly acquired by Government, this having gone into the recommendations for the Constitution, I think it had better be widened to include where Government makes property useless because if the Port is not subject to it, they can make a property useless, acquire it for nothing and then carry on and do what it wishes because it is not under the Law.

In any event, I think it should go in because whether they have exempted themselves or not, it cannot be right to make people's property useless and not give them the protection which is necessary in a democratic society.

As I said the problem did not arise because of the 50-foot setback because the walls and the parking lots which cover the ironshore are not 50 feet back. They go right down to the edge. The buildings that are closer than 50 feet are because Executive Council have told the people they can fill up the coves, which they have done. They have put a wall, filled it in and they have covered it over. So the Regulation is not even going to give effect to that.

Presumably the Development and Planning Board can go ahead

and give people the right to put up a wall that is under four feet. In fact, you can put up a wall that is under four feet anyhow without going to Planning in some instances. And presumably to go ahead and fill it in because the setbacks do not apply to what fills the ironshore which is a parking lot and the seawall.

Lastly, in this area what it is doing is to close the door when it is just about too late, I am afraid because to foreigners who wanted it, got it. That is a hard fact. Where that little restaurant, I think it is, going on Dr. Roy's ex-property they could well have left the ironshore free there but we have to remember that the Member for Communications and Works had, earlier on, brought motions to this House to increase the value of that property and the property next to it by changing the use of the back part of to be commercial. Naturally, they are getting their property enhanced while Caymanian property is now being depreciated and made useless.

In the final analysis, Madam Speaker, it is not the principle behind what the Member is trying to achieve. I agree with Government preserving and we have during our eight years as much as it can preserve, but it must either pay for it or it must give people the right to have an objection and to have their say and it must go in accordance with democratic principles. This Regulation is one which, in my view, is communistic.

Thank you.

MADAM SPEAKER: If no other Member wishes to debate this motion perhaps the...
Everybody is jumping to their feet at the same time. The First Elected Member for West Bay.

MR. W. McKEEVA BUSH: Madam Speaker, to further my notes I will give way to the First Elected Member for Cayman Brac and Little Cayman.

MADAM SPEAKER: The First Elected Member for Cayman Brac and Little Cayman. First Elected Member for West Bay, the First Elected Member for Cayman Brac and Little Cayman has asked to give way to you. So let us have someone on their feet please, since you are both anxious to speak.

MR. W. McKEEVA BUSH: I am not ready yet, Madam Speaker, thank you.

MADAM SPEAKER: The First Elected Member for Cayman Brac and Little Cayman.

CAPT. MABRY S. KIRKCONNELL: Thank you, Madam Speaker. I rise to support the Government Motion No.8/91 The Development and Planning (Amendment)(No.2), 1991. Madam Speaker, having been a member of the Central Planning Authority for more than a decade I have seen many applications come to the Board for development within that area. Often times the better judgement of the members would have been to have refused the application but going back to the Regulations as set down in the Development and Planning Regulations, 1977, there was nothing to back the decision and the decision had to be to allow it to be done.

I would like to make it very clear that coastal development permits are not issued by the Central Planning Authority. They are referred with the blessings of the Central Planning Authority, to the Honourable Executive Council for their further decision when coves are to be filled.

Although we realised it was set aside to be a scenic coastline to enhance the development of Grand Cayman as a tourist resort and to preserve it in its natural state, we often times have to make decisions to refer to the Honourable Executive Council with a recommendation that it be approved to fill coves to go along with the Development and Planning Regulations.

Therefore, Madam Speaker, if the Statutory Boards which are appointed are to do what not only is right but what they feel is right, they have to have regulations which give them direct authority or positive decision-making tool. Therefore, I compliment the Member in bringing this this morning. It could be said that it is a bit late because many of the developments that are there will be permanent.

I have spent most of my life at sea. I fully realise the force of the sea and therefore, I realise the danger of developing too close to the sea. Luckily for Grand Cayman, geographically, George Town faces in a westerly direction which is protected, other than from the Northwester which normally lasts for a short period of time. That is the reason that area has maintained such a beautiful beach and the buildings can survive. It is being undermined on a continuous basis by heavy seas during Northwester season.

Madam Speaker, I have, as I said earlier, over the years seen the need for a definite setback. Seventy-five feet has been a minimum setback in all areas where there was no ironshore and many other areas of this Island, Grand Cayman, where scenic coastline has been established, there has been no development or building allowed. Therefore, Madam Speaker, today as we are called upon to write into legislation as a Regulation to the Planning Law a definite setback. We are not saying to the people that they cannot develop their land. We are simply saying that they must build no closer than 75 feet to the low water mark.

I would like to call to the attention of Honourable Members that building that close to the sea not only blocks the view, not only makes it dangerous because of the force of the sea, but it has a serious environmental impact.

Let us remember that area presently is not serviced by the central sewage system and septic tanks being constructed in that area, if we check the Environmental Regulations, make it extremely difficult. They are supposed to be at least 100 feet from the high water mark. Then they have a setback from the road itself.

So I think if we go through that entire area, there are very few of the properties which are vacant today that would be allowed Planning's permission under the Environmental Health

Law for proper location of sewage facilities.

I think we must be very conscious of our health. Remember, the central sewage system, as I said before, does not cover the entire area which is becoming very densely populated.

One thing I would like to call to the attention of the Honourable Member is that I feel special consideration must be given to those existing buildings within the 75-foot setback for the maintenance of the structural integrity of their buildings. If it becomes necessary, because they have been built that close to the sea, that they have to further fortify them against the elements, that they be allowed to do so.

Although it would be within the 75-foot setback, I also feel that a grandfather clause should be incorporated which would cover persons already having approved applications for planning development in that area.

Also, there are other applications pending before the Central Planning Authority which would have been approved under the present setback but because of other restrictions, probably design, maybe they have not satisfied the Building Control Unit, Planning permission may not have been granted prior to the passing of going into operation of this Regulation. I feel these persons should be "grandfathered" in under this Regulation.

Therefore, Madam Speaker, with these few words I would like to say although the Third Elected Member for George Town said that he felt confident that I would support this because it was being moved by Government, this is just once again another opportunity to vote for what I feel is best for this country.

I am trying to protect the health and the welfare of this Island when I vote for this motion, therefore, I support this motion.

MOMENT OF INTERRUPTION

MADAM SPEAKER: Normally, at this time, the House would be suspending for 15 minutes but I understand that Honourable Members have commitments for the afternoon and therefore, I am asking the First Official Member to move the adjournment of the House until Monday morning.

ADJOURNMENT

HON. THOMAS C. JEFFERSON: Madam Speaker, I move the adjournment of this Honourable House until 10:00 o'clock Monday morning.

MADAM SPEAKER: The question before the Honourable House is that the House do now adjourn until 10:00 o'clock Monday morning. I shall put the question. I shall put the question. Those in favour please say Aye... Those against No.

AYES.

MADAM SPEAKER: The Ayes have it.

AT 11:37 A.M. THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M., MONDAY, 16TH DECEMBER, 1991.

**MONDAY
16TH DECEMBER, 1991
10:07 A.M.**

THE SPEAKER:

Prayers by the Third Elected Member for West Bay.

PRAYERS

MR. JOHN D. JEFFERSON, JR:

Let us Pray.

Almighty God, from whom all wisdom and power are derived: We beseech Thee so to direct and prosper the deliberations of the Legislative Assembly now assembled, that all things may be ordered upon the best and surest foundations for the glory of Thy Name and for the safety, honour and welfare of the people of these Islands.

Bless our Sovereign Lady Queen Elizabeth II, the Queen Mother, Philip Duke of Edinburgh, Charles Prince of Wales, Diana Princess of Wales and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, the Members of Executive Council and Members of the Legislative Assembly that we may be enabled faithfully to perform the responsible duties of our high office.

All this we ask for Thy great Name's sake, Amen.

Let us say the Lord's prayer together:

Our Father who art in Heaven, Hallowed be Thy Name, Thy Kingdom come, Thy will be done in earth as it is in Heaven; Give us this day our daily bread, and forgive us our trespasses, as we forgive them that trespass against us; And lead us not into temptation, but deliver us from evil; For Thine is the Kingdom, the power and the glory, for ever and ever. Amen.

The Lord bless us and keep us: the Lord make His face shine upon us and be gracious unto us: the Lord lift up the light of His countenance upon us and give us peace now and always. Amen.

THE SPEAKER:

Please be seated. Proceedings are resumed in the Legislative Assembly. Government Business, Government Motion No. 8/91 The Development and Planning (Amendment) (No. 2) Regulations, 1991 debate continuing thereon. Is any other Member willing to continue the debate on this motion? If not I will ask the Honourable Member for Communications and Works to wind up the debate.

GOVERNMENT BUSINESS

MOTIONS

**GOVERNMENT MOTION NO. 8/91
The Development and Planning (Amendment) (No.2) Regulations, 1991**

(Continuation of Debate thereon)

HON. LINFORD A. PIERSON:

Thank you, Madam Speaker.

Firstly, I wish to correct a misstatement that may have been made in the presentation of this motion when it was stated that the motion was made in Executive Council. In fact, the motion was approved for presentation here in the Legislative Assembly and it has now been moved under section 35 (3) of the Planning and Development Law Revised, as this is one of those motions that has to receive the assent of the Legislative Assembly so I wish to thank Madam Speaker for bringing this point to my attention.

Having cleared up that particular point I now wish to thank those individuals who spoke on this motion and in particular, the First Elected Member for Cayman Brac for his support of the motion. I was most concerned with the venomous and vitriolic attack that was made against me here on Friday by Mr. Truman Bodden the Third Elected Member for George Town. What may have gotten into that Member, is beyond me. Why he chose to introduce the type of adversarial politics that he did, is beyond me. Especially on Thursday when I thought that he had made a very good presentation in his debate on the Traffic Law, when I jokingly said to him that we seem to have been getting on so well together that I hope the public did not get the wrong impression. But that Member seems to have lost his sense of humour and instead he decided to have an outright attack not only against the motion but against me.

I wonder whether this could be the style that Member is adopting for his 1992 campaign, or whether he may be adversely influenced by some of his company. But he is too much of an intelligent man for me to find excuses for his misbehavior here on Friday. He must be held responsible for what he did, and I hope that the Third Elected Member for George Town took the time to listen to what he himself said over the radio and heard how ridiculous and unwarranted his attack was on me last Friday. He had no reason to do that.

I am a very broad-minded person, I realise that there are a number of things that will be brought to this House which will not be supported. That is politics. That is the

democratic process. But I expect people of the caliber of the Third Elected Member for George Town would attempt to do any rebuttal on the issues before them, rather than trying to make personal attacks on individuals - going as far as to say that individual Members of this Council would bring Communistic legislation to this House! He should be thoroughly ashamed of himself. There is no excuse for that behavior. It is not the first time that Member has done such a thing. He prides himself of having a good memory. So do I! I can recall when other Members (who are now Members of this House) were accused by that man of being involved in communism because he did not like what they were doing. It is time he stopped that kind of politics. I would much rather be accused of such politics than to bring any brand of David Duke's type of policy in this House.

This Member seems to be obsessed with communism. I wonder why? It does not bother me. Could it be that he is obsessed with this idea? Could it be that it is plaguing his mind? I cannot understand this man. It bothered me all week-end in trying find out where he was coming from. I am the first to say that I am not perfect. God knows I am not, but we are all in that state of imperfection. I have had my problems, but I thank God that I have learned from my mistakes. I am a better man today because of my mistakes. But it seems that that man is deteriorating because I used to have a lot of respect for him and for his style. But in recent times it seems that because of his company, he is fast deteriorating.

When he accused me of bringing Communistic legislation in here, he seemed to have been drunk with his own rhetoric because he knows that this is not correct. He got up and stated that I, Linford Pierson, the Member responsible for Communication and Works, do not have the interest of the people of George Town at heart, when I bring legislation here or a motion to restrict further development from the Eden Rock area down to Lobster Pot. I wonder whether it could be that that Member's only interest is because he may have an indirect interest - if not direct! - in an area in that same grid area? One wonders about this, Madam Speaker.

I do not have any property down there. Why is it that he is so interested in that area? Everybody knows he has no interest in the little people of this country. When last has he been in to see any of them or tell them that he is there to help them? Yet, he accused me of not having any interest in the people in that area. The people of the Cayman Islands, and in particular George Town, know that he is a selfish man. He has no interest in the people.

Madam Speaker, I have made it quite clear that I am not prepared to sit in this House and accept that kind of political behavior any longer. So I want to put myself on record again. I can protect myself against those kinds of attacks like anybody else, and the Third Elected Member for George Town had no reason for the kind of attack that I had here on Friday. No reason at all. All he had to do was to get up and disagree with the policies, but leave it to the policies. To suggest that this piece of legislation which has been approved by Executive Council is Communist legislation is completely out of order.

He used repulsive language such as, 'communistic', 'depravation of property', Madam Speaker, he even went as far as to remind us of the Bill of Rights. But, he is constantly getting up in here talking about his extreme type of conservative politics. I wonder if he really understands in the true terms of politics what it means to have a very highly conservative view in politics? That is the kind of view that is practiced by the David Dukes of this world, not the Cayman Islands. He said that Government has sought to exempt itself from the Law. He throws all kinds of nasty, incorrect, incoherent statements at Government.

We can deal with the politics of it. But I feel that it is only proper that I should answer that Member in detail because he took a lot of time here in this House to not only deal with the motion but to castigate me as the mover of the motion. So it has to be answered.

The Third Elected Member for George Town stated that he had taken a 1977 Development Plan Island-wide. But what he did not state was that he did not see fit to have it revised every five years in accordance with the Development Planning Law, as was mandated in that Law. The reason why he did not do this - and he cannot dispute this - is because he feared the sort of political repercussions that could be caused from that. And he calls himself a representative of this country? Madam Speaker, whether the piece of legislation is popular or not, if it is in the best interest of this country he should be the good representative that he claims to be and bring the legislation to the House.

I have commissioned a complete review of the 1977 Planning Statement and the Law and Regulations. Not because I feel that it is a popular move, but because it needs to be done. Regarding taking it from district to district, that is exactly what I have done. I have set up a committee in each district of Grand Cayman, in Cayman Brac and in Little Cayman to make a report back to the main committee so that we can avail ourselves of as wide a cross section of input as possible. So I am following proper democratic process.

Had that Member been vigilant enough - and less selfish - he would have heard the outcry that we had in George Town from many of our citizens regarding the development now across from the old Doctor Roy's property. I heard him make no mention of the number of letters that came in the paper on this. I made an announcement, held a press conference some three months ago that this was coming, yet he says that I did not notify the people of this country and in George Town in particular. That man has the best way of twisting the truth. The truth is, there are only 11 pieces of property remaining in that particular grid area that have not been developed. These properties - one in particular I can think of right now - is the property in front of the Tower Building. Is that Member suggesting that we should deprive individuals such as Elon Pars, and others, who use that area for bringing the fish in to sell to the public? Why should we allow him to put some building up there? There are other vacant areas, Madam Speaker, that are being used by our own Caymanian people and I will not be a party to blocking this from them. They deserve to use this as well as he does. Yet he says he has the interest of the people at heart. He is a selfish little man.

There are five small pieces in front of the Tower Building. Three

pieces in front of Captain Rayal's old house and three other pieces making up the 11 pieces. He said that Government is doing the wrong thing by allowing the Port Authority and the Public Works to carry out necessary works. I would have thought that that Member would have congratulated the Government bench for that sort of a foresight. He knows that the docking area needs to be developed and improved in order to encourage tourism in this country. Yet, because of politics, he will get up and criticise it without any good reason or rationale for doing it. Criticism for criticism's sake.

Additionally, there are five applications now pending before the Planning Authority. Those applications will hopefully be approved. Nobody who has shown an interest or applied to Government to do something in that area and met with planning requirements is being disenfranchised. He should have done his home work before coming to this House to criticise. Had the Member come to me, I would have been the first to have told him the facts. But no, it was a golden opportunity for him to get up in here and try to castigate, try to pull down a fellow member of this House just because he sees that Member, as a member of the Opposition.

Speaking of Opposition, I did use the term "throwing bouquets" here on Thursday, and the Member was quick to get up on Friday and say that he wanted me to know that he had no intention of running with me. Madam Speaker, that is a major revelation to me. I did not know that I had even suggested to that Member that I cared to run with him. In 1980 I made a big mistake in running with that Member, and I lost the election as a result because that Member is selfish. He knew that by doing that he would get a lot of my votes and that he would benefit from them.

THE SPEAKER: Honourable Member, I wish you would now avoid the term "selfish", because it appears to be a chorus. You have said it once, I think people have got the drift. Could you avoid that expression in the future? Thank you.

HON. LINFORD A. PIERSON: Thank you, Madam Speaker. I cannot think of a better word to describe him, but I will desist from using that.

The 'self-centred' gentleman suggested in this House that I was interested in running with him. Madam Speaker, I used to regard that gentleman as a friend at one stage, and I still do sort of vaguely, but I have no interest in running with that man. In 1984 we buried the Unity Team in George Town. So I have no reason to want to resurrect that with him. Any time that gentleman (and I can give him this promise) meets with me politically, he is meeting with me on the opposite side of the fence as Opposition. I have no interest in being a part of his group. I would suggest to that gentleman that it may be a bit early in politics to start burning one's bridges behind one, because that may be the same road one will have to retreat on.

To say that I am disappointed with the unwarranted attack that I had here on Friday would be putting it mildly. But I believe that this Honourable House and the listening public are quite clear on how I feel about that attack.

I will now move on to the comments made by the First Elected Member for Cayman Brac. I thank him very sincerely. Even though he is being ridiculed on many occasions, but that gentlemen, I would say, speaks his conscience. I have seen him in this House oppose Government on many occasions because he did not support what was going on. Any time he goes against something that the Backbench wants him to do, he is the biggest ogre that the Cayman Islands has produced.

The 75 foot setback that is being required under this resolution is to protect that area from further development. As I said, there are five pending applications and one that has been given 'in principle approval'. So you will see more development along that area. Areas such as the Mary Bodden area there by the old Pat Alonzos, that application has been approved. The application in respect of Mr. Pappie Connolly and others have been approved. The Member should have come and talked to me and I would have given him this necessary information, that is the Third Elected Member for George Town. The 75 foot setback is to allow the people of the Cayman Islands and in particular, George Town, the tourists and others to continue to enjoy that waterfront area. Madam Speaker, whenever I can do so, I will do so to protect these Islands, as far as possible for the people of the Cayman Islands.

As regards the scenic coast line up in South Sound. We had a provision that was agreed here by Finance Committee, but what the Member should have asked me was how that money was spent? But no, he saw fit to ridicule me on that also when in fact, most of that provision was used to purchase the area where we are putting the ramp and dock now. It is our intention to purchase the rest of that scenic coast line, with or without the support of the Third Elected Member for George Town.

The First Elected Member for Cayman Brac also suggested that we should try grandfathering the areas in the Law to permit existing buildings within the 75 foot setback to do there necessary repairs and maintenance and so on. This is exactly the intent of this amendment and I can assure the Honourable First Elected Member for Cayman Brac that this is very much a part of our thinking.

In winding up, I wish to say, not only to this Honourable House, but to the listening public, as I said earlier, none of us are perfect, we all make our mistakes. Some are more visible than others but God help us if we do not learn by those mistakes. I hope that we all can bring perfect legislation to this House that would be agreed upon by all Members but we know that we do not live in a perfect world. We can only hope to bring legislation that will be in the very best interest of the majority of the people of these Islands.

I thank you, Madam Speaker.

THE SPEAKER: The question before this Honourable House is that Be it Resolved that this Honourable House do approve the said Development and Planning (Amendment No. 2) Regulations, 1991.

QUESTION PUT: AGREED BY MAJORITY: GOVERNMENT MOTION NO. 8/91 PASSED BY MAJORITY.

THE SPEAKER: Government Motion No. 10/91 the Development and Planning (Amendment) (No.3) (Fees) Regulations, 1991. The Honourable First Official Member and Leader of Government of Government Business.

**GOVERNMENT MOTION NO. 10/91
The Development and Planning (Amendment)(No.3)(Fees) Regulations, 1991**

HON. THOMAS C. JEFFERSON: Madam Speaker, I beg to move Government Motion No. 10/91 entitled the Development and Planning (Amendment) (No.3) (Fees) Regulations, 1991, and which reads:

WHEREAS by section 35 (3) of the Development and Planning Law (Revised) it is provided that no Regulations shall be made pursuant to the provisions of the Law unless a draft thereof has been laid before the Legislative Assembly;

AND WHEREAS pursuant to section 35 (3) a draft of the Development and Planning (Amendment) (Fees) Regulations, 1991, has been laid before this Honourable House;

BE IT THEREFORE RESOLVED THAT this Honourable House do approve the said Development and Planning (Amendment) (Fees) Regulations, 1991."

Madam Speaker, while dealing with the Miscellaneous Fees Amendment Law, I also spoke to this particular Fees Regulation and I do not propose this morning to carry on with an additional long speech. Only to say that the recommendations as regards the increase for Planning Fees which also includes the Building Code side of it is seeking to use or establish a fee structure with the view that staff of the Planning Department and the Building Code section in carrying out their duties would spend more time on larger projects than on smaller projects. That is the rational behind the recommendations put forward in this Regulation, Madam Speaker.

For example, the present fees charged on hotels is structured by number of bedrooms, whereas, it is deemed to be more appropriate to structure it in terms of square footage because obviously the larger the building, the more staff of for both the Planning or Building Code section would be required to monitor the construction of the said project.

It is worthy to note as well that the recurrent expenditure of the department is more than \$1,250,000, while the revenue that is presently proposed to be collected by that department in 1992, is less than \$250,000. The reason for the increase in fees is an attempt, not only to rationalise the way in which fees are charged, but also goes in line with the responsibility under the Financial and Stores Regulations to gradually move fees in-line with the cost of the department, to provide services and I leave it to the Honourable Members to consider.

THE SPEAKER: The question before the Honourable House is that the House do approve the said Development and Planning Amendment Fees Regulations, 1991. The motion is open for debate. The Second Elected Member for Bodden Town.

MR. G. HAIG BODDEN: Madam Speaker, I strongly object to the increase in Planning Fees. This is but a part of Government's attempt to continue the squeeze which has been put on to bring the subjects of this country into obedience to the will of their hard hearted masters.

The reason why Government is finding difficulty meeting its revenues is because Government itself is the number one enemy. One cartoon figure puts it this way, "Pogo said, we have found the enemy and the enemy is us." Government is the enemy. Government's actions over the last three years have restricted the increase of business to such an extent that Government's revenues continue to fall. To quote from an August 1991 issue of the Government's Statistical figures I read: "The decline in Planning permits is particularly significant as they are usually regarded as a leading economic indicator, rather than a coincident indicator."

It goes on to say the value of the transfer of land was down 20 per cent in the second quarter and the value of Planning Permits was down 66 per cent in the first quarter and 42 per cent in the second quarter. With this type of indicators how can Government raise revenue? The answer certainly must be to stimulate the economy. Not to put inhibitions on it. I would have thought Government would be out there trying to help the little man get a house. But certainly when these new fees come into effect, as they will, because the mighty Member for Cayman Brac has spoken, on the 1st of January it will be more difficult for a young Caymanian to own a house.

One would have thought that the Government would encourage young Caymanians to fence their yards and to enhance their properties by so doing and we see an exorbitant charge put in here for the erection of a fence. There is only one purpose for these fees and that is the hope that this faltering Government will look good when election time comes if the Governor decides to call one.

We see this new fee structure imposing fees that never existed before making it harder and more difficult for the little man that they have promised to help out of existence continue in his downward slide. All of this they are doing in the name of helping the country. If they really want to help this country they cannot help by increasing the cost of living. By increasing, as I said last week, the price of

being productive, the price for being successful, for permission to subdivide a fee calculated at the rate of \$60 in respect of each lot in the proposed subdivision. We know full well that many of these subdivisions today are small subdivisions. The Government has killed the big subdivision in their greed when they put the Stamp Duty from 7.5 per cent to 10 per cent 16 months ago they wrote the death knell for the transfer of large lots. They are paying the price for it now. Of course with no large lots being transferred, there are no large subdivisions coming on line. Consequently no development to provide the Planning Fees.

We paid the price by finding our revenue falling short of over \$800,000. Nearly a million dollars this year because the Government put up the Stamp Duty on the transfer of land. And it goes on because it has a one-track mind. This is the only thing it knows about. It knows nothing about aiding the development and increasing economic activity.

The construction of, or extension to, a single family residence, duplex or apartment aimed specifically to hurt the young Caymanian. The young man under 30 years of age with his young wife trying to build a home and this Government puts a charge for nothing at all. The person receives nothing at all in return, puts a charge of 15 cents per square foot on the proposed development. Ridiculous! They ought to resign and take the Governor with them for taking their advice.

The carrying out of commercial or industrial development - feed calculated at the rate of 20 cents in respect of each square foot of the proposed development. After they have taken action which has slowed commercial and industrial development, now they are trying to jack up the Planning Fees. The carrying out of hotel development - when in their stupidity they put a moratorium on the construction of hotels and condominiums. A fee calculated at the rate of 15 cents in respect of each square foot of the proposed development.

The carrying out of petrol station development - when they have allowed the monopolies of Esso and Texaco to take the bread out of the mouth of every small Caymanian businessman that was in the petrol station business. This Government who has failed to protect the Caymanian, the small business man and allowed Esso and Texaco to run rough-shod over the previous owners or operators of the little service stations and now we see they are being built by Esso and Texaco and because these Elected Members of Executive Council got invited to a few cocktail parties or got their names in the newspaper or even better still, got their names in heaven on CITV. They are now charged a rate of \$1 per square foot for the carrying out of petrol station development.

The carrying out of agricultural development - when the Member's policy (that is his 'mouth' policy which he proclaims with that melodious tongue of his) puts a charge of 2 cents, these charges are not coming from the Financial Secretary these are Planning charges coming from the Member responsible.

The Member for Communication and Works brought these to Executive Council and had the buddy system operate to put them through Council because I understand that they have a buddy system a buddy system. If you do not support my hospital, you will not get to destroy the airline and you will not get to destroy the Middle School and you will not get your Jennet T. They have a buddy system which is wreaking financial havoc on this country.

The construction of his social club or place of assembly. A fee calculated at the rate of 10 cents in respect of each square foot. And to atone for their sins the construction of a church, I am glad to see is free. But you know what the Bible says, God said, I do not want your offerings because they are an abomination. When you are making your peace offerings God does not want it.

The construction of a swimming pool - \$75. The erection of a sign - \$50. The construction of a fence for a house - \$100, other fences \$250. They talk about improving the environment, they should encourage householders to put up fences. The carrying out of dredging - \$750. The rezoning of land - \$1,000. The carrying out of an excavation - fee calculated at the rate of 15 cents in respect of each cubic yard to be excavated when the price of marl is already high; or as an alternative \$750, plus a fee calculated at the rate of 10 cents in respect of each cubic yard to be excavated - being whichever amount is the lesser.

Permission for a change of use of land. That is the fee that would have been payable under this schedule if the applications were an application for development for the proposed new use. Under Part 2 of this motion there is a fee for the application for outline planning permission and it reads:

"The application fee for outline planning permission for development is half the fee that would be payable under Part 1 in respect of an application for planning permission or the development."

There is another category - Part 3 Application for planning permission for development made after the development has started or has been completed and it reads:

The application fee for planning permission for development made after the development has been started or has been completed is double the fee that would be payable under Part 1 in respect of an application for planning permission for the development."

Perhaps the Member for Communication and Works who did not have a reply to the other planning motion which we dealt with may seek in this motion to use the same strategy which he used in the previous one. That is to denounce not only the Third Member for George Town but me so I want to say here and now that I will be against anyone who votes in favour of this motion and if it is God's will I will be supporting the Third Member for George Town in his hard struggle to help the little man retain some of his

dignity.

Thank you, Madam Speaker.

THE SPEAKER:

The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN:

Thank you, Madam Speaker.

This motion to put further taxes on our people is a part of the package that the Executive Council and the Member for Cayman Brac have brought in their \$10 million package to further cripple the economy and to further hurt the little man.

What is significant about this is that back last year, the Government increased in July 1990, the Development and Planning Fees. So it has become now a consistent and premeditated move to extract as much money as possible out of the public to pay for the grandiose schemes of Government and they do not really care whether they increase the same fees year, after year, after year.

It is significant, from what I can see, and there are a lot of amendments to the Schedule, but it seems to me that since 1977 the first increase was in 1990. So we must expect that if this Government or any of its Members get back in power after the November elections, the path which has now been set of continuing to extract more and more money, especially, as I will show, from the little man, these Planning Fees will continue until one good day they will have no more heads left to tax and they will have spent all of the money and then God help this country financially, socially and otherwise.

The continued taxation of the public has to be a damaging social effect on the people of this country because it is taking away from people who cannot otherwise afford it, money that could be better spent on raising their children or trying to make their life somewhat more amenable by buying the necessities of life.

These Regulations are nearly as harsh and unconscionable as the diesel duty was or the other taxes. When you look at the question of permission to subdivide, fees in this area before were \$30 and it appears this was not increased the last time but now they have moved to \$60 or 100 per cent and it seems that the mathematics of the Executive Council is limited to twos and tens when they get in this area. There is no easing up of small amounts. They either multiply it by 100 per cent or 10 per cent or whatever.

The construction of or extension to a single family residence, had been increased 100 per cent last year and now we find that this is now being increased further to 15 cents per square foot when before, they were dealing with per 1,000 square feet and over a 1,000 to 1,500 was another sum, over 1,500 was another. On residential there has been quite a heavy increase which is now going to deal with per square foot of the building.

The amount before this for up to 1,000 square foot house was \$30, now it has gone to 15 cents a square foot so it would appear to me that a 1,000 square foot house now has jumped to \$150. This is a massive increase of about five times the amount and that increases now progressively as it moves up.

The most stable part of any economy are home-owners. People who own their own houses will rarely ever disrupt the country because they have their families and the family residence there so why in the world would they touch the increase in this large amount, or at all, by hitting hardest on the construction or extension of a single family residence, duplex or apartment.

This has got to be going against what is so basic and has been so basic in this country that people will own their own homes. They can own it but they are going to pay for it and they are going to pay now for fees that are going to finally go to pay for the grandiose schemes of this present Government. In my opinion, if there is one area that the fees should not have gone on, it is in relation to family residences. We must encourage this. We already know that the Government with its whopping loan of \$13 or \$14 million that was taken out of local banks has drastically reduced the mortgage and loan money that young couples could use to build their homes.

Fifteen million dollars, and I will use that because it is easier to calculate it on, could probably have given mortgage money out at the rate of 12 per million dollars to 15 per million. When that is multiplied out you are looking at several hundred homes that Government by using up this money these people could not have. I do not understand why they are trying to totally obliterate the little man from the face of Cayman.

The other area that there has been an increase, though much less, is on commercial or industrial development. There has also been an increase on hotel development but what I do not understand is why they would merely move that from \$15 per 100 square feet which is basically 15 cents per square foot, to 20 cents per square foot. A very small amount.

I am not saying that they should not have increased it further, I am saying, why such a small amount on this? And why such a heavy amount on the construction or extension to a single family residence, duplex or apartment? We have to remember this has now been brought in specifically. It probably was implied and covered under the Law, but the increase is to where the construction of a home is now just a little bit under to what it will cost to pay for the Planning Fees for constructing a residence.

What is even more interesting is that the hotel fee is 15 cents and this is one area that maybe the Member for Communication and Works will clear up because while the Financial Secretary has put this bill forward, this is really on his shoulders, it is his Portfolio that deals with Planning. He is in charge of Planning. Why it is referring to development, is that going to include all of the land involved, as well as the building? I have just noticed this and I do not have before me all that I need, there should be a definition of this, I would assume in the Law.

But putting it at its best, if it is 15 cents it is going to be the same

thing because for the construction of a home it is 15 cents of the proposed development. For the construction of a hotel it is 15 cents in respect of each square foot of the proposed development. It is exactly the same bases and I would assume that development is going to have to be defined as the structures or the buildings that are on it. If not, then you are looking at 15 cents of anything that is developed. I guess the whole plot or whatever you use to put the house on. That could never be the intent of this and I will look this up but unfortunately you will not be able to further speak on it because I have just noticed this.

We find that what the Government and the Member for Communication and Works whose Portfolio this is under and who obviously had to be one of the instigators of putting up these fees, is doing is to say to the little man is that you will pay the same fee to build your house per square foot as the big investor would pay for his hotel. That cannot be a policy that is helping the little man.

Regardless of what is said in here, when people look at what is happening, they know who is trying to help them and who is not and who associates and is trying to help the big man with the fees and all of the help that we continuously find large investors getting. This law is geared towards assisting people who have substantial sums of money and that is not bad thing but if you are going to help them, for Pete's sake try to help the little man with it.

It is good to see that the construction of a church is removed but we find that 10 cents a square foot is put on the construction of a social club or place of assembly. The Member for Health talks about trying to get social clubs, service clubs, and places where the youth can meet and then the Government is putting a substantial fee on the construction of a teenage club or the church's construction of a youth centre or assembly building. And, it specifically does cover that. It does not cover the construction of a church but everything else that is attached to it such as the assembly buildings or areas the church uses to try to help the Government fight the battle against drugs or teenage delinquency, has a further tax on it.

What I find perhaps the most unusual is that while the Member for Communication, Works and Agriculture is carrying out saying he is promoting a policy that is going to try to help the agricultural people. He is now putting on a fee of two cents a square foot of the proposed development. You would think that with the \$5 million Plan that the public is going to pay for over the next five years in agriculture, if he genuinely wants to help agriculture then why increase the fees right at the beginning?

Why I am saying this is these fees hurt because they first have to come out of your pocket before you can do anything else. Most of the time before you can even go and get a mortgage loan, you have to have some type of planning approval.

The erection of a sign. I do not even think that that was specifically covered under the last fee schedule. This looks like it could be new. This has gone to \$50. No distinction between a large sign or a small sign. In fact, you may have a sign that does not even cost you \$50 to put up and you may be trying to sell a piece of land or sell you house or something. If you stick up a sign you there, you have to go and get Planning permission and pay \$50. If you want to put up a fence it is \$100. These things such as fences obviously impact, again, on people who have the least money.

Other areas that we have new amounts going on are a modification of the shoreline or the construction of dock. He should have applied this fee when they were approving all of the zoning for places like Doctor Roys where they have already had non-Caymanians destroying the shoreline and constructing the docks. With the motion that he just spoke on, I should not say he spoke on the motion, I think he really spoke on me on that, Madam Speaker, rather than the motion. We really see that what is happening now is, after these people have done what they wish to do then we these fees go on. As he said, for example, along that area, I bet many of the people left with shore-line are probably Caymanians who may not do very much, but if they want to do anything with it, they are saddled with this big fee.

On the other hand the carrying out of dredging is \$750. That is really wild because when you think of the value of some of that dredged up land, and the Member for Communication and Works put a Stamp Duty value to come to Government of \$100 million on the Safe Haven project, and by the way, as far as I go, anyone who comes here as an investor and genuinely invests, as they and other people have done, I wish them all the best. I am merely drawing a distinction here that that property which, when the debate came up on the extension of the lease of 99 years, when it was given back, I would say, that is a billion dollars of value of Stamp Duty that the Member was looking the 10 per cent on. That is \$750. What I am saying is while we are suppressing our own people it seems to me that the big friends of Government seem to be the people who are benefiting.

The rezoning of land - \$1,000. That is new, there was not any rezoning before. There was a change of use that was \$15 and increased to \$30. I bet the majority of applications that came before this House to change the use of property and which included an application of change of use for Doctor Roy's ex-property in the back making it many times more valuable, were all for foreign investors. And these were since this Government got in because there was practically none before this.

As I said, I have nothing against helping the foreign investor. I think when they come here, we should assist them. But do not after you have put through what must have been, I would guess altogether somewhere between 30 to 50 different parcels of land that we re-zoned, you now come with a \$1,000 fee on it. This means the Caymanians who come with a very small piece of land to get re-zoned are stuck with \$1,000 fee. Why could it not have been a percentage based on the square footage of it? This would let the person who wants a small piece of land re-zoned pay a lesser sum than someone who has a larger parcel, as has been done when the percentage was very high.

The 15 cents on the single family residence is very high, so they put that per square foot. Now we come to the change of use and everybody is stuck with the same amount because we know that most of the developments are hundreds of millions of dollars in value and I would think many of them are in the multiple thousands of square feet of property.

What I also find to be somewhat odd is now you are going to have to pay to dig a hole in your back yard. The excavation of property under number 15 carries a fee of 15 cents per cubic yard. So now if you want to dig a well or you want to put down a cistern or you just want to excavate a hole and put soil in it to put some plants down you are going to have to figure out how many cubic feet you have and go to planning for it. This is really wild and I do not know what they are getting at, but there are two different fees on this. It is 15 cents per cubic yard and \$750 plus 10 cents per cubic yard, whichever is the lessor.

I could have understood them saying look, if you have to make a large excavation of several thousand cubic feet, or cubic yards, whatever they are talking about, then go ahead and put some sort of fee on that. But do not leave it in this form with no minimum on it because legally if you go to do any sort of excavation now, it seems you are going to have to get Planning permission and pay this fee. I think you probably had to get Planning permission in larger instances before.

I do not know whether they are trying to stop people continuing to build cisterns so that Government can get more revenue by selling water or stop you building wells or whatever, but this one here seems to be one that is really a nuisance. A real nuisance to people because one never thinks of in terms of having to go and get Planning permission to excavate your own property especially when it is only something that is small. Change of use now of land is half what the application would be.

What we do find is that the trend here is not a good one. It is not good because what we are finding is that the movement does not seem to be thought out. To me, it has to go against a politician's good sense to create more and more barriers and put more and more fee in areas where the common, normal man has to go and deal with more and more red tape and pay more and more money.

I thought there was something on this on outline planning permission. Outline planning permission which before this was for a single family or duplex unit was \$30 because that was one that was doubled last year. All other applications were according to the value of them - \$15 which was increased to \$30 for over \$50,000. Now what is being done, instead of going and paying for outlining planning permission for a home, you now have to pay half of the massively increased fee that you pay for final planning permission. That could have been left off when dealing with family residence and trying to encourage the young to get their own homes.

In relation to what the Member for Communication and Works stated in his personal attack on me this morning, I would just say that that is a clear example that sorts out the politician from the statesman. I believe the public will listen very carefully to it and they will be the judge.

In summary, what we have is further taxes that are designed to fall hardest and the most revenue to be extracted from people who are struggling to build a home in which to put their wives and their children. Therefore these taxes, the heaviest burden is going to fall on the innocent. The spouse and the innocent children and it is one in which my view is destructive to the most important principle in a sensible country and that is to have young couples build homes and protect their families.

Thank you.

THE SPEAKER:

The House will be suspended for 15 minutes.

AT 11:34 A.M. THE HOUSE WAS SUSPENDED

HOUSE RESUMED AT 12:00 NOON

THE SPEAKER:

Please be seated. Proceedings are resumed debate continues on the Government Motion No. 10/91 the Development and Planning Amendment Fees Regulations, 1991.

The First Elected Member for West Bay. What do you mean by these signs and wonders now?

MR. W. McKEEVA BUSH:
Ma'am.

I think the First Member for Bodden Town is going to go now,

THE SPEAKER:

The First Elected Member for Bodden Town.

MR. ROY BODDEN:

Thank you, Madam Speaker. I am sorry for that misunderstanding but I thought my colleague understood that I wanted to speak immediately after the break.

Madam Speaker, in rising to address the issue of these proposed fees under the Development and Planning Law, Revised, and the Development and Planning (Amendment) Fees Regulations, 1991, I have to begin by saying that no representative of the people who is in their right mind could support these amendments because it seems that this is another wedge about to be driven in to the coffin of the little man. I am going to try to avoid much of the arguments given before but I crave your indulgence in drawing reference to some specific sections of these proposed amendments particularly as they are going to, in my opinion, detrimentally affect the ability of middle class and middle level Caymanians to enhance and even acquire residencies.

I suppose that it is logical to begin with that part of the Schedule which deals with the application for outlining planning permission and I am struck by this drastic change because we have a situation where already small people are struggling because it is accurate to remark that the business of building a house now has reached such intricate and sophisticated proportions that for a small man it is very expensive, indeed, for now one has to acquire the services of a professional draftsman or architect.

In most instances the package is a comprehensive one which

includes the cost of the drafting of the plans plus all of the fees required by Planning. If the application fee has gone up significantly, as is proposed in this Schedule, then I am afraid that the acquisition of plans for many people will be out of their reach, especially when one considers that the builder has to come up with this money prior to obtaining a mortgage because he or she is only able to draw-down on the monies after the plans have been approved and it means that the person paying on the land, then having to pay exorbitant fees to Planning for its approval in addition to the mortgage will soon find himself (or herself) not able to afford a house. We have to be concerned about this, because it is an accurate measure of the economic prosperity of any country the number of houses being built and the number of houses owned by young people.

Every day in my encounters I come across young people expressing concern about the pressures on them as a result of these kinds of expenses. The whole notion of the raise to 15 cents in respect of each square foot of proposed development in a single family residence, duplex or apartment is prohibitive to young people.

Statistics show that most of the marriages are between under 30 years old, so what this is saying is that a young couple will have to experience extreme difficulty in acquiring a residence of their own. And I am worried about this especially as it is going to affect those people who live in circumstances where they have to cope with paying rent for the residence that they are occupying immediately in addition to trying to save enough to meet the mortgage commitments for their own residence and to have to be doing both things simultaneously.

I am disappointed and dismayed and as my colleague said the blame for this does not lie with the Financial Secretary, but rather it lies at the feet of the Member for Communication and Works under whose Portfolio this falls. He should know better because during his tenure on the Backbench he was the foremost crusader for the little man and now roles and positions have changed and he misguidedly or otherwise is singularly responsible for more detrimental acts against the little man than all of his colleagues put together. Again, I have to wonder about the advice which is given to all of them because the only way I can term it is that they have taken leave of their senses. This package is going to spell doom.

Industrial development - a fee calculated at the rate of 20 cents in respect of each square foot of the proposed development. Does that mean that if a man is building a barn that is the rate? If someone is building a poultry run, a house for their poultry, that is what the fee is? From someone who came to this House for a \$5 million package to promote agriculture, on the one hand and bringing this and saying that he is for the enhancement and development of agriculture. The two are direct opposite. It does not spell sense. I am against this and I will reserve for this vote my most vocal 'No!'

but before I conclude I would like to say that if this package is passed, it will be the damnation of the Executive Council and if the first Elected Member for Cayman Brac supports this it will be to his damnation. Also, because history will be repeating itself. This caused the Government their downfall in 1976, it will happen again this year. But that is no concern of mine for if the Government does not see that this is an added doom to the already heavy burden of our Caymanian people and they want to go blindly to their destruction, then they have to give account for their own shortcomings. But I can safely say it will get no support from the First Elected Member for Bodden Town.

Thank you, Madam Speaker.

THE SPEAKER:

The First Elected Member for West Bay.

MR. W. McKEEVA BUSH:

Thank you, Madam Speaker. We are not on this side saying that all these fees are onerous but I certainly have to question whether the little people is really being looked after. I cannot see how anyone can get up here and talk about supporting the little people and charge him \$180 to give him permission to build a house of 1,200 square feet. They do this while they give the persons who are much better off financially the right to build luxuries like a swimming pool and charge them \$75. This is what I call upside down economics.

Where is the care, the interest for the little man the Member for Communication and Works was shouting about just now? They go on to charge the smaller man again, for the construction of a fence around a house \$100, the same as they would charge everybody else.

I have always been one of those people in this House that believed that as far as the payment of fees in this country, the poorer people must pay less than those of us who are better off financially. While some people can live in areas where it is not customary or where it is against subdivision regulations to put up a chain link, wood or barb wire fence, those areas where a neatly trimmed ficus fence and a team of gardens called in to keep it that way is in style, the poor man has usually, if they get a chance to build a house, they put some sort of fence around it whether it is just a wood fence or a barb wire fence.

I want to ask those people again, is this having the little man at heart? Madam Speaker, all of us are faced with complaints or representations made from constituents and in my case, I am talking about constituents all over this country because people all over this country come to me and complain about things. Every day we hear complaints from people who are trying to get a house built. They have difficulties, extreme difficulties and even some of them qualifying for a mortgage to get a house built. If he gets that house built, the cost of everything since these gentlemen on the other side got into power in 1988 have increased. It is that much more difficult for them. As I said, it is becoming more and more difficult for poor families to try and get a shelter for their family.

The First Member for Bodden Town said that the Member for Communication and Works was the foremost crusader of the little man when he was on this side of the House. I do not know if that is correct, but let me say that the Member for Communication and Works certainly used that expression more than anybody else - "the little man".

I remember, it is recorded in the Hansard, where that Member used to tear apart the Honourable Vassel Johnson about the same sort of thing. It was going to kill the little man. The little man was being hounded out of existence and I never heard about the little man more in my life.

Madam Speaker, today the Member for Communication and Works seems to believe that, if you kill a cow at Christmas and you slaughter a pig at Christmas and send it around to the little man, that can take care of his needs 365 days of the year. Not so. You might give away a little beef and a little pork, as I understand is happening, but that does not cure the problems that is created by that Member.

I can take my licks and he will come behind but he has to tell the country why that the people, the smaller person in this country, is being perched upon and crusaded in to the ground by their actions. We see it, Madam Speaker. If you support the Government of the day you can get anything done. If you do not support them, they will consider you, if there is no chance of them turning you around to their point of view to get your support you are out the door. That seems to be the game that is happening in some Portfolios today.

The question that should be posed is: Why has the grid remained at Lobster Pot Restaurant and not extended down to Pageant Beach? We all know about the big development that is hoped to be put down at the old Pageant Beach site. We all know who is doing it. We all know that there will be some sort of iron-shore development for docks. Let them explain why, since they will be speaking after me. They will be clamouring to their feet to say that I am wrong. But I have the plans for the Pageant Beach site, I know what is proposed. While I cannot speak after them, there will be other chances.

I have said in the past that I support wherever possible for Government to try to recoup some of what they are spending on departments and when we look on the Planning Department, it is a department that deals with time consuming matters and it is costing Government quite a bit to run it. If we look at the Estimates you will see that the projected or estimated cost for 1992 over 1990 was nearly \$400,000 difference. It is costing Government \$1.2 million to run it in 1992 when it was costing Government \$859,896 in 1990. I believe that the increase between this year and next year is some \$305,000. So it is costing Government quite a sum because as I said, the Department of Planning is one of the most important departments in our country and certainly deals with matters that affect practically everybody.

Government must recoup some of what it is spending, as close to as possible, but when we consider that Government spent in time thousands of dollars on large buildings we have at least five or six completed within the last two years, Government hardly got anything back. We know what it cost Government for the Jennet T, we know what they received from Ansbacher Building for that project.

In his debate the Member for Communication and Works talked about impact fees and why we cannot charge impact fees. Big development if it is done properly do not object to impact fees. Those developments that do not intend to rape our country, that is. If you sit down and sensibly talk with large developers they want good infrastructure and they know that they cannot get it for nothing. So do not tell me that impact fees are not something to be looked at.

Why must the little man continue to pay for these things? You might say it is not them, it is everybody paying. Fair enough, but at that rate you are not getting enough to cover your costs all around and you cannot very well take anymore from the smaller group. It is wrong to expect the little person or the person with a Toyota car, 1,000 ccs to pay the same for those of us that can afford to drive the larger cars, the Mercedes Benz or the Cadillacs or the larger Oldsmobile, if you may. I am just drawing a reference to show Government's overall philosophy. They do not really care about the small person in this country. That is the one hit hardest in all these revenue measures.

They can talk what they like about the multiplying effects and all this sort of stuff. The proof of the pudding is when you taste it and the effects of all these increases are killing the people in this country less able to afford it. There is a growing divide that concerns me in this country. There was a time when there was a middle income man and even to him today is put at a much lower end of the game. What am I saying in this Madam Speaker? I am saying that it is time that Government review their policy or philosophy. They cannot continue to hit the people less able to afford it.

There are areas in this that I support, I would like to offer some support to but this resolution will not be voted on in parts, therefore, I am going to cast my vote against it. They cannot come here shouting about agreements with large developments to give them money, misleading the House, and then when the road is built they come and tell you that they did not get any agreement. It is time that they stop, the Member used the word, playing footsies with the economy. Well let me tell him it is time that he, in particular, stops playing with these people where the country is not getting the true benefit. We have seen it over and over again.

Right in this resolution they are talking about developments and I believe the Third Elected Member from George Town alluded to it, one is the large development called Safe Haven and I know they are going to get up and tell you that they received \$300,000+ for fees but when we consider the magnitude of that development, the infrastructural needs that that will impose on this country, I feel without any favouritism that that Member should have done better when he put on another 40 years and only got back \$2 million. Not even yet, has he got that \$2 million, he only got one. Yet, he comes here today bringing this sort of resolution.

Of course, they give it to the Financial Secretary. For what reason I do not know because it is really the Development and Planning Regulations, stemming from the Law. The Regulations can only come with the Law and we saw the Member on Friday dealing with the Law. They want to make the people believe that it is the Honourable Financial Secretary doing it. Let me say they have been going hither and thither telling people it is not them, it is Tom Jefferson. We know different and the people know different. This is not Tom Jeffersons, this is Linford Piersons, so when they get up I hope they can thump their chest and say,

I stand behind this because I believe in it.

however, I will say this again for emphasise that it is time that they stop playing with those people who can pay but are their supporters.

I will say no more, I guess I have been kind of rambling on,

Thank you, Madam Speaker.

THE SPEAKER:

Second Elected Member for Cayman Brac and Little Cayman.

MR. GILBERT A. McLEAN:

Thank you, Madam Speaker. The motion that is before the House to implement the increase of fees under the Development and Planning Regulations, I find unjustified. It forms a part of the \$10 million tax package which was moved at the time that the Budget was presented three weeks ago and I did not support that in the Budget then, and I do not support it now.

I think that taxes should have been avoided this year in any event because only last July of last year, \$10 million of taxes was brought on the country and now for an additional \$10 million, it is simply too much for this country. It does not make sound economic sense and the overall effect is being felt from the increase of taxes a year ago and this was simply increase that situation.

Some of these increases will directly affect the average citizen. I personally believe that if there is to be taxes one should try to structure taxes in a manner that those best able to pay would have to do so. Even though it will eventually be passed on to the consumer, it makes more sense to me and I subscribe to the view that just like those are those in various income brackets, the higher taxes should begin with those highest upscale and smallest with those at the bottom.

Just in July past, there was an increase in the permission to subdivide and that was increased at that time by 100 per cent from \$30 per lot to \$60 per lot. That had effect. That is being included in this present Schedule. There is no question that to attempt a subdivision nowadays is a very, very costly affair. Fortunately and historically many, many average Caymanians had land which was handed down to them from generation to generation. I believe that is where there is a significant difference between the culture and the history of the Cayman Islands and so many others in the Commonwealth Caribbean. But what is happening with these type of increases is that the opportunity of the average person mustering or getting a loan to get in to subdivisions which they would hope to sell and from that gain money is becoming less and less.

The demand for roadwork in a subdivision has increased. Both in the construction of the road and in the surfacing of the road there is at least one instance I am aware of where persons have been requested in a subdivision to fill the lots before the lots could be sold or approved. With Government saying that before you can even get permission to do so you have to pay money up-front which has increased 100 per cent from what it used to be it has to have an effect and it does.

One could imagine that it would be possible for Government to apply this tax after a subdivision was on the way and was actually sold because a lot would have to be transferred and then at that point in time Government could collect its revenue but no, Government is saying up-front we must have it.

It makes for hardship, Madam Speaker.

Another area here which stands out is the fact that the construction of an extension to a single family dwelling or a duplex or an apartment will attract 15 cents per square foot of the proposed development. Here again it is the average Caymanian person who can attempt to build a duplex or maybe a four block apartment. These fees again are directed towards those people. Again, has to be paid up front, it is not collectible as the person who is attempting the development is able to collect. So it has effect. And it has effect in the development in the construction field where one that is down most economies of the world feel the effect of it.

We are in a recession, even though the Government does seem to believe so or admit too much to the fact, but we are. And for the implementation of these fees it means that we are worsening that situation. I notice too that there is a fee applied to the hotel development of 15 cents per square foot of the proposed development. Here one would expect that the person who has enough money to build a hotel would not necessarily be the average Caymanian person. It would be a person who is an outside investor with that type of capital and over the long run it will be visitors who would come to this Island and use the facility and so he would recruit his expenditures. So that may not have the type of effect as the other instances which I have mentioned a few minutes ago on the average person.

However, I wonder about these things in that one of the first acts of a part of this present Government at the time, if I remember correctly, it was in early 1985 when it came to office, the first thing it did was to take 4 per cent off condominium developments. Supposedly that was going to hurt the sales and development of condominiums. But yet, the Government is now prepared to put in place 15 cents per square foot of charge on the actual development.

I believe anyone who is able to buy a three bedroom condominium for a million dollars ought to be able to have paid a 4 per cent levy that was placed on it at that time. However, that was changed but yet the Government now proposes a 15 cents per square foot charge on a hotel development.

Another fee which is chargeable here is on a petrol station development. A previous speaker noted the fact, and as far as I can gather from what information is available to me, the large oil companies are actually taking away the opportunity from the local business man who had a gas station in this country before. I understand that in some instances they are buying the properties, building modern buildings on them providing various services and renting them back to people at extremely high monthly charges. Now to that person or to the multi-national oil companies a dollar a square foot is somewhat of a joke.

Would the Government not have been better off to levy some

fee on the large amounts of money which is going, not only to those oil companies for selling fuel to this country, but also the astronomical amounts of money that will be taking out of this country ad infinitum over whatever number of years hence. Would there have been something wrong with looking at levying some fee or percentage or in whatever manner on such a thing?

I do not believe the Government looks very carefully into doing some of the things that it does but it does them anyway and in many instances, to the detriment of the community and society as a whole.

THE SPEAKER: Honourable Member could you take a break at this time?

MR. GILBERT A. McLEAN: Yes, Madam Speaker.

THE SPEAKER: The House will be suspended until 2:15.

AT 12:47 P.M. THE HOUSE WAS SUSPENDED

HOUSE RESUMED AT 2:20 P.M.

THE SPEAKER: Please be seated. Proceedings are resumed, debate continues Government Motion No. 10/91 the Second Elected Member for Cayman Brac and Little Cayman.

MR. GILBERT A. McLEAN: Madam Speaker, when we took the adjournment I had ended comment on the matter of the charges or the fees levied on petrol station development and was about to comment on the recommended fees for carrying out of agricultural development.

This is not very clear as to what type of agricultural development it is speaking about. I wonder if it would apply to what we commonly call in Cayman 'grounds' or plantation or whether this two cents per square foot really applies to some form of high technology agriculture such as the hydroponic farm or things of this nature. Would it effect a pig raising farm, a chicken farm or whatever? It is not very clear. However, if Government is so anxious to see agriculture develop in this country you would think that it would not single this out as an area to be taxed, particularly in view of the fact that it is often said that the various crops grown here by local farmers are so expensive that the supermarkets and other retail outlets are unable to buy them because of the high cost of resale as compared to how much more cheaply they can import crops or vegetables from other countries. So I can really see no sensible attitude in this particular area here proposed for tax.

Further, I see it is proposed to levy a 10 cents per square foot charge on the construction of a social club or a place of assembly. One must wonder how often such a place is built? Secondly, why on earth would the Government want to tax a place that is being built for a place of assembly or a social club, particularly if that social club is related to sporting activities and not one where people gather to drink beer at much reduced prices? If it relates to social clubs in terms of the development of sports, it certainly seems to be placing an unreasonable cost on construction. Certainly one cannot fault them when it comes on the side of religion because it made the construction of a church free.

It has also been pointed out that the construction of a swimming pool attracts the charge of \$75. Again, certainly this relates to the more well-off within our society if, after building a house, they can also afford to build a swimming pool and it is such a small charge compared to what is being levied on charges for the construction of an extension to a single family residence. It does not really seem to be logical and the implication is that it is fine to more heavily tax the area or the level where there is less money and to tax less, those person who can afford swimming pools.

Erections of signs is \$50. It does not say how large a sign or what type? Is it the neon type of sign or is it any sign that one might choose to put up by ones business or for that matter at ones house where there may be some type of a cottage industry operating from it? I really cannot see altogether just why the Government would even go to the extent of imposing some of these fees except to create a nuisance and considerable degree of hardship on persons who in many instances can least afford it.

In these type of situations, for example, the erection of a sign. One could imagine that a person who simply wants to put up a small sign by their house would have to go through the process of applying to the Planning Authority for the erection of that sign and then paying this amount for it.

Other speakers have commented on the matter of the construction of a fence. One has to pay the Government now if you do that. Certain fees apply there. If it is a residence a \$100, if it is others, it is \$250. The modification of the shoreline or the construction of a dock, again, there is now a fee applied to that of \$250. Item 13 has really caught my attention. If it means what it says about the carrying out of dredging and if the fee applied to that is only \$750, then I ask how could that possibly be?

If the Government is so much for the environment and it is so conscious of dredging and what it does to the environment, how then could it apply such a small fee for this? In all of the dredging operations, that I am aware of, in this country we are talking about hundreds of thousands of dollars with this type of development, if not millions. Indeed, it runs in to the millions with some of them. How could a person who wishes to undertake three, four or five million cubic yards of dredging only pay \$750 for it? It truly leaves me baffled and I really cannot see why and how they could arrive a such a figure.

The carrying out of an excavation - a fee calculated at the rate of 15 cents in respect of each cubic yard to be excavated is proposed to be brought into effect. Would this apply to the person digging a hole for a septic tank? Could that be applied to that? Does one really want to get down to so

minuscule and personal and illogical situation as that? It does seem as if it is wide open to that type of interpretation. In some instances will it not cost more for some of these fees to be implemented in terms of manpower hours than what it would actually bring into effect?

Those are the areas that I have chosen out of this Schedule to comment on and overall I find these fees objectionable. I find the imposition of \$10 million more in taxes on the country, and, which means \$20 million in 16 months, to be absolutely unacceptable for this society. It will have far reaching effect in the long run and certainly some of the areas that have been taxed here in the past two or three weeks have already worsened a situation where people are feeling a serious economic pinch.

I did not support the tax package when it was moved originally after the presentation of the Budget, and therefore, I will not support this particular part thereof.

As for who is to blame, I have heard various Members on Executive Council say that they operate under collective responsibility and I think legally that is so. So, I blame all of them on the Government for these taxes here equally for bringing these here to the House. If one did it, the others should have prevailed upon him not to do so and one can only assume that the majority carried.

Madam Speaker, I do not support this motion. Thank you.

THE SPEAKER:

The Honourable Member for Works and Communications.

HON. LINFORD A. PIERSON:

Thank you, Madam Speaker. I can truly say that I had no intention of speaking on this motion but since it seems that I have been pulled in to it deliberately by Members of the Opposition, I feel it is only proper that I should clear up some of the points that have been raised.

Before doing so, I just wish to reply to a comment made this morning by the Third Elected Member for George Town. His actions here on Friday are certainly not consistent with being a statesman, and I trust that from here on in I will continue to show that I am not just an ordinary politician, but that I aspire more to being a statesman in this House and outside. I would, however, remind that Member that it was in 1984 that he brought a suit against the First Elected Member for West Bay for being referred to as a communist, however he is protected here under the privileges and immunities of this House. I will, nonetheless, be seeking legal advice on what I saw printed in the papers today.

As regards the question of Planning Fees generally, I would just wish to say that in the 1990 Report of the Auditor General that section 75 of that Report he states as follows and before reading this I would just like to mention it would be of interest to see how the Public Accounts Committee will deal with the matter of increase in Planning Fees as it is recommended in the 1990 Report of the Auditor General that this should be increased. I shall just read this. He said:

"I do not see why the fees charged by the Planning Department may not realistically reflect the full and economic cost of the services provided. I will await to see the Report of the Public Accounts Committee on that matter."

I support Government Motion No. 10/91, which calls for an increase in certain Planning Fees. My purpose for rising to speak on this is to clarify certain possible misconceptions of some of the previous speakers. Whilst I am the first to agree that any increase be they Planning, or otherwise, will have a direct or indirect effect on our people I would state here that much of what was said regarding these fees leaves much to the imagination.

Based on the Auditor General's recommendation, and this I would not say was made up because of the Auditor General's recommendation, but it is consistent with that, it was felt that the present fee structure before the increases were agreed upon were somewhat restrictive.

The Third Elected Member for George Town and others mentioned that this was having a most detrimental effect on the little man as opposed to the bigger man. Well, I cannot see from the fee structure that was introduced by that Member and his colleagues in 1977, which has not been changed until now, where this is correct. The only alteration or amendment that was made to that was in last year 1990 when the fees were increased but the fee structure itself, was not changed and we can see that the fee structure as introduced by that Government was intended or had the effect of being most regressive and most damaging to the little man in this country.

We have that the average house size is somewhat around 1,600 square feet but as mentioned by Planning in their notes to me, there is an increase in the number of houses above that at present. But what is noticed is that even with the average household of 1,600 square feet that from there upwards there was a distinct reduction in the charges per square foot as introduced in the 1977 Development Plan of which the Third Elected Member for George Town was a member and of course, the Second Elected Member for Bodden Town.

For a house the size of 3,000 square feet he was then charging an average of 6.6 cents per square foot. Then it got worse, for 5,000 square foot building the charge per square foot was 4 cents and then when you got really into the big shot areas of 8,000 square feet, he was only charging them 2.5 cents and he is talking about protecting the little man? The little man was having to pay up to 12.5 cents as opposed to a man with an 8,000 square foot house paying 2.5 cents. That is helping the little man?

I would just like to have a quick look down at some of the proposed new increases. As regards the duplexes and apartments that has been increased to 15 cents per square foot but, as mentioned, the average size homes for many Caymanians is around 1,600 square feet and that was already 12.5 cents so we are looking at 2.5 cents above that for the average size house, for the little man in this country.

It has been mentioned that I was a champion of the little man on the Backbench, but Madam Speaker, the truth is I still am and I will never change that position. Will never change that position and I believe that many of my constituents know that because they know the man.

As regards commercial and industrial buildings - they are 20 cents per square foot. Hotels are 15 cents per square foot and there was a reason for that, to also make the cost to the tourist coming here that much cheaper. We always hear that we are pricing ourselves out of the market but yet we are criticised when we try to recognise that this area needs particular attention.

Social Clubs - this has not changed. The amount before this amendment was 10 cents per square foot. It is still 10 cents per square foot. There has been no changes. I think most Members that spoke only looked at the increases but they did not take time to look at the present fee structure. This has not changed any.

As regards to subdivisions the fee structure before was all subdivisions of six lots and less were free. There was no charge and the those over six lots had to pay \$60. What we found happening was that a lot of developers tried to get around this by splitting up their subdivisions into six lots or less. This is the reason why we are charging a flat fee at this point in time. To close that loophole and to also bring some revenue into Government.

As regards the social club and places of assembly, as I said, this is exactly the same as it was before. There has been no change in that.

On pools there was a reasoning behind the increase in pools. The reasoning that was given by my technical people at the Planning was that pools are irregular in shape and the time sent calculating these surface areas would be better covered by a flat fee. So there was no mystery as to why a flat fee is being charged for pools. This is being done because it is in the interest of efficiency within the department.

After the fact applications - we are not charging any penalty on that, Madam Speaker. If Members speaking had taken the time to give the full story it would carry forward to the listening public a much more accurate position than what they have done. They have only focused on some of the increases and did not give the full picture of what the total increases are.

Then we heard about fences. I would only like to remind the Members that spoke about fences and ficus fences that we do not refer to a ficus hedge as a fence, it is not regarded under Planning Law as a fence. That is the first thing. The second thing is that any fence that is built of three feet six inches or 42 inches and less, are not subject to any Planning Fees. I would also state that those fences that are 42 inches and over there is a \$100 for residential but they have to be 3 feet 6 inches or 42 inches and over. For commercial - the \$250 there, they are for industrial or commercial premises or developments.

Mention also was made regarding the charge for dredging. Here again, this was completely misunderstood and in the presentation by certain Members they fail to state that this \$750 is a Planning Fee, but in addition to this, Government charges a royalty per cubic yard of all materials dredged. Also as regards excavations, this has nothing to do with digging a cesspool or digging a well or anything like that. This is where mining of marl or sand is done for commercial use and is sold to the public. It has nothing to do with a cesspool as we heard hear today.

They were some of the major areas that were debated. One other area that I feel should be cleared up was that there was an increase in agricultural buildings which certain Members said was inconsistent with the Agricultural Development Plan. But here again, had the Members taken time to look at the present Schedule of Fees they would see that there were no increases in that Schedule of Fees.

They should also know that 90 per cent of the farms on this Island would not be subjected to this because this is in respect of where a building is being put down but there was no increase over the present Schedule under the Law.

There seems not to be a lot more I can say on this except to say that when we were, in fact, looking at these fees we tried our best, that is the Department of Planning Portfolio and the Financial Secretaries Department to whom it was sent we all had a look at this, we felt it was reasonable, we felt it was in certain cases needed to regularise the present Fee Schedule and that it would not in any way cause the sort of injury or damage that we have heard mentioned here today.

I support Motion No. 10/91. Thank you.

THE SPEAKER:

The Third Elected Member for West Bay.

MR. JOHN D. JEFFERSON, JR:

Thank you, Madam Speaker. I briefly addressed the issue of the Planning Fee increases in my contribution to the Budget Debate, so I am not going to be long winded on this one but there are a few areas that I would like to re-address or mention. I can appreciate that the Planning Department is attempting to cover its costs or be paid adequately for the services it renders. My concern is that the timing for these increases is wrong.

The Planning Fees are a part of the \$10 million tax package that Government introduced at the beginning of this session. Planning Fees, like the other fees, suffers from that aspect of the increases, the timing is wrong and the level of increases is also wrong. It is wrong because fees of this nature or taxes, period, should not be raised in the middle of an economic recession. The affect of these increases is that it will only further delay the economic recovery that is so badly needed in this country. The fees also will only further dampen the real estate and the construction industry which has been seriously hurt by the 10 per cent Stamp Duty imposed by this Government in 1990.

In looking at some of the fees that are being proposed for increase, the first one that I would like to mention is the fee for permission to subdivide. Under the 1977 Regulations

there was no fee imposed on subdivisions of six lots or less. These proposed increases will cover all subdivisions and the fee has been raised not from \$30 to \$40 but from \$30 to \$60 per lot. The effect of this is that it will hurt small family developments or estates. I know I am working with a group right now where there is a piece of family property being subdivided and that is a problem. Finding sufficient funds to pay for the survey, pay for the Planning Fees, etcetera. All this is going to do is to make it more difficult for the small man who inherits a piece of property to be in a position to subdivide it and develop it.

It would also make it much more difficult and expensive for the young Caymanians who are attempting and have a desire to construct a home of their own. It is amazing how the cost of construction and the cost of a home has risen over the years because what you could build for 15 years ago for \$30,000, now costs you probably in excess of \$100,000 or \$120,000. It is very difficult for young Caymanians, that is those Caymanians who are just getting started, have a young family, both husband and wife are working to try to make ends meet and to be in a position where they can qualify for a mortgage to be able to own their own homes.

You might say it is not significant to raise fees from \$30 to \$60 but when you do not have it, it is difficult. Increases of this nature will also further dampen economic recovery in a commercial area and statistics bear out the fact that there has been a decrease in this area recently. The number of Planning approvals is down and what we should be attempting to do is to arrive at measures that will get this economy back on the right track rather than continuing to find ways and means of further hurting our Caymanian people.

The increase proposed for agricultural development is substantial and basically doubles as far as the Planning Fee is concerned and I think this is important when you consider the fact that the Government has just launched a Five Year Agricultural Plan where they are attempting to encourage agriculture in this country. What they should have done was propose an elimination of that fee period, in order to assist the small farmer who has a desire of making a living from farming.

What is also of concern to me is the way that these fees are structured. In item 12 on page 4 of this memorandum there is an item - modification of the shoreline or the construction of a dock \$250. We heard a outcry the other day from the general public when Planning granted its approval for the construction of a fast food restaurant on the iron-shore in George Town and to think it only cost \$250 in order to get approval for construction of this nature. It makes me wonder.

Also item 13 - the carrying out of dredging \$750. Now the Member for Communication mentioned that in addition to this Government charges a royalty fee. That fee, be it Planning or royalty should be at such a level that it is almost prohibitive because I have felt for a very long time that we have sufficient land here in this country for development and we no longer need to run the risk of continuing to grant permission to people to engage in the exercise of dredging. Only time will tell the effect developments such as SafeHaven will have on the environment of this country.

Item 15 - the carrying out of excavation. The Member for Communication and Works mentioned that this does not cover digging a well or a septic tank. It does not say what it covers. It is wide open. So as far as I am concerned it is kind of left to the discretion of the Central Planning Authority whether or not they charge a fee for activities of that nature. All these fees do is to add to the financial burden that the small man is presently under in this country.

Just last night a young man approached me, shook my hand and said, "John, I have been listening to you and I have been listening to the Backbench and I can tell you right now, for many years as a local contractor I was able to make a decent living for myself and my family but recently that has been very difficult indeed." What is happening is our people, that is the average Caymanian, is beginning to despair. They are beginning to wonder whether or not there is any hope. They are beginning to question whether or not they have a future in this country and more than ever we find a distinct movement between the very rich and the very poor. The middle class person or the middle class in this country is fast becoming extinct.

My question is how much more does this Government expect the little man to bear? The little man in this country is fast becoming an endangered species. We have heard so much about the little man but I think this Government and in particular the Member for Communication and Works owes the little man an apology because his actions since being elected to Executive Council has not done much to raise or uplift the position of the little man.

All I can say in closing to our Caymanian people, do not lose faith, do not despair, hold on because time is running out on this Government. In closing I want to say that I do not support these increases, I think the timing is wrong, I feel that the level of increases are much too high and what Planning should do is not to try to cover all the cost at once but do it over a gradual period of time.

Thank you, Madam Speaker.

THE SPEAKER:

The Member for Health and Social Services.

HON. D. EZZARD MILLER:

Madam Speaker, I rise to support the motion before the House concerning an increase in the various fees charged by the Planning Department.

Some of the Members of the Backbench based much of their criticism of the increase of these fees and their argument against the Honourable Member responsible for Planning and Agriculture on the fact that he had doubled the agricultural fees and that Member just got up and read the old charges and the new charges and explained that there was no differences in the charges. There has been no increase in either the charges for the agricultural buildings or the social clubs and now the Third Elected Member for West Bay got right up and said he was doubling them again. I was watching him during the Member for Communication's debate and he was not paying attention to what he was saying he was taking advice from the

Third Elected Member for George Town.

The fact that they are not going to support the fee increases is nothing new. They all made that known during the Budget debate but members of the public and Members of this Honourable House will clearly remember their asking and demanding and they were not going to leave the Chamber until they got money for roadworks, etcetera, etcetera, out of the Budget. But they are not supporting any fee increases. This Government must somehow magically find the money to pay for their expenses but any expenses brought forth by any of the seven Members of the Government, we have to find real money to pay for them.

It is interesting to hear the new found Robin Hoods over there.

MR. W. McKEEVA BUSH:

Madam Speaker, we object to being called Robin Hoods.

(Members' laughter)

THE SPEAKER:

Honourable Member when you address the Chair, would you please stand? You do not shout from your seat, please, sir.

MR. W. McKEEVA BUSH:

Madam Speaker, if you want me to stand I will. I thought you would have caught that because I have seen where that has been ruled out of order because that is really saying that people are stealing. I thought you would have caught it.

THE SPEAKER:

Please proceed, Honourable Member, for Health and Social Services.

HON. D. EZZARD MILLER:

Thank you, Madam Speaker.

The First Elected Member for Bodden Town in his usual manner said that no representative could support these increases and we would have to have taken leave of our senses to bring a package like this to Parliament.

Some months ago the Honourable Financial Secretary suggested that we needed to look and develop a Fee Schedule charged by the Government. That was approved and all of the fees within Government were reviewed by the various department Heads and Portfolios as to the current cost to the public of obtaining the services and the cost to the Government to provide the services. Some fees were increased, others will have to be increased at a later time, we could not put them all up to the right level at the same time. And that was a collective decision of Executive Council.

One Member, in his contribution, had a lot to say that they only way you can get service from Government is if you happen to be a supporter of the Government. I take issue with that, in particular when it comes to services within my Portfolio and I believe the same exists for all seven of the Portfolios in Government.

This, they have shouted, is such a drastic increase to the average Caymanian building a house. On a 1,600 square foot house the charge under the old fees was around \$200. The new charge is \$240, an increase of \$40 and anybody who cannot afford \$40 for a Planning Fee to have their plans properly reviewed, because remember a lot of the young people today do not have the benefit of generations before them of being jack of all trades and knowing some little thing about the building industry, having been involved in it in form or another. It takes a fairly sophisticated person to read these architectural drawings that are produced today and part of the function at Planning is to ensure that the electrical is done properly and it is going to work and to ensure that the plumbing is done properly and it is going to work. All of those benefits these people are getting for these increased fees.

For the Third Elected Member for West Bay to suggest that the royalties for dredging should be such that it would be prohibitive, I wonder where the people are going to get the marl necessary to fill in their foundations for their houses or to build these roads that they want?

MR. W. McKEEVA BUSH:
where he got it from.

Ask the Member for Communication and Works, he can tell you

HON. D. EZZARD MILLER:

Madam Speaker, these fees are not prohibitive. They are reasonable charges for the services one gets from the Planning Department and I support the motion before Parliament.

THE SPEAKER:

If there is no further debate, I will ask the Honourable mover if he would like to exercise his right to reply?

HON. THOMAS C. JEFFERSON:

Thank you, Madam Speaker.

George Bernard Shaw, that well known and able public orator was attending a major function where he was one of a number of speakers and when after several speeches had been delivered, the Master of Ceremonies took another 10 minutes to introduce him and ended up by saying, "Ladies and gentlemen, I give you Mr. Shaw." Mr. Shaw got to his feet and he said, "Mr. Master of Ceremonies, ladies and gentlemen, the subject is exhausted so I will take my seat."

THE SPEAKER:

I shall now put the question. Be it therefore resolved that the

Honourable House do approve the said Development and Planning (Amendment) Fees Regulations, 1991. Those in favour please say Aye...Those against No.

AYES & NOES

MR. W. McKEEVA BUSH: May I have a division, please?

THE SPEAKER: Certainly.

DIVISION NO. 36/91**Ayes: 8**

Hon. Thomas C. Jefferson
Hon. W. Richard Ground
Hon J. Lemuel Hurlston
Hon. W. Norman Bodden
Hon. Benson O. Ebanks
Hon. D. Ezzard Miller
Hon. Linford A. Pierson
Capt. Mabry S. Kirkconnell

Noes: 6

Mr. W. McKeeva Bush
Mr. John D. Jefferson, Jr
Mr. Truman M. Bodden
Mr. Gilbert A. McLean
Mr. Roy Bodden
Mr. G. Haig Bodden

Absent

Mr. John B. McLean

AGREED BY MAJORITY: **GOVERNMENT MOTION NO. 10/91 PASSED BY MAJORITY.**

THE SPEAKER: The next item is Government Motion No. 12/91 Health Services Authority (Fees) Regulations 1991. The Honourable Member for Health and Social Services.

GOVERNMENT MOTION NO. 12/91
Health services Authority (Fees) Regulations 1991

HON. D. EZZARD MILLER: Madam Speaker, I beg to move Government Motion No. 12/91 entitled Health Services Authority (Fees) Regulations 1991.

WHEREAS section 15(2) of the Health Services Authority Law provides that regulations establishing fees to be charged by the Authority are subject to the affirmative resolution by the Legislative Assembly;

AND WHEREAS draft regulations entitled the Health Services Authority (Fees) Regulations 1991 were approved by Executive Council on 12th November, 1991;

BE IT RESOLVED that the Health Services Authority (Fees) Regulations 1991 made by Executive Council on 12th November, 1991 are affirmed.

THE SPEAKER: The question before the Honourable House is that Government Motion No. 12/91 BE IT RESOLVED that the Health Services Authority (Fees) Regulations 1991 made by Executive Council on 12th November, 1991, be affirmed.

HON. D. EZZARD MILLER: Madam Speaker, this motion is presented at this time as a formality and a legal necessity for two reasons. The Health Services Law, 1991, which is Law 14 of 1991, and was published on Thursday 15th of August, 1991, and signed by the Governor on the 9th of August 1991, section 15 read:

"15. (1) The Governor shall, by regulations, fix the fees to be charged for services of health care facilities and programmes.

(2) Regulations made under subsection (1) shall be subject to affirmative resolution."

Governor, in this instance is defined as the Governor in Executive Council.

The motion is also necessary in order to allow the Health Services Authority (which comes in to legal being on the 1st of January 1992) to charge the prices which the Government is currently charging at the Hospital. Those fees are the rates which were established almost two years ago and were increased incrementally every six months until they reached today's level in June 1991. This motion is now necessary in order for the Authority to continue to charge those same fees in 1992.

I would just ask at this juncture that the House allow the Honourable Attorney General to correct any typographical errors in the Fee Schedule as we do when we are doing a bill in the committee stage because there are one or two typographical errors in the Fees. Not in the quantities of money to be charged but somethings do not line up perfectly so I am asking Members that when they vote on the

motion that that is included, that the AG has that authority.

I hasten to add that there is no increase in the amount of fees in this Schedule for this motion that Members are asked to vote for. In fact, because we have done some diagnostic review grouping prices certain procedures which now carry a fixed price will cost a little less than if you used the itemised prices as past some 24 months ago.

There are some small changes in the Regulations but not in the Fees and I would like to bring to Member's attention those changes. These are changes to the Regulations for the Health Services Law 1974, which were made in 1975. All of the changes proposed in these new Regulations are for the betterment of the citizens of this country.

The first change is to Regulations 5. Regulation 5 in the old 1975 Fees reads as follows:

"5. All out-patient services and prescriptions for children up to school leaving age shall be free of charge, except for consultation by appointment."

The new Fee Schedule we are asked to approve today reads as follows:

"5. No fees are payable in respect of a patient at a health care facility if the patient has not obtained the upper limit of school age (as defined in the Education Law, 1983)."

What that change brings about is that in-patient services for children will now also be free because we found in some instances because you had to pay for hospitalisation in one or two instances the children might have been treated as an out-patient when they really should have been as an in-patient.

The next change is to Regulation 6 and Regulation 6 of the 1975, Fees reads as follows:

"6. All ante-natal services including clinics, blood-testing and drugs necessitated by pregnancy shall be free of charge."

There was an amendment to that Regulation in 1985 which reads as follows:

"3. Regulation 6 of the Principal Regulations is substituted by the following - (that is the one I just read)

6. All ante-natal services for persons normally resident in the Islands, comprising clinics, blood-testing and drugs necessitated pregnancy (but excluding radiological and ultrasound examinations and teleradiology) shall be free of charge."

The new Regulation before Parliament reads as follows:

"6. No fees are payable for ante-natal services provided at a health care facility to a person who is ordinarily resident in the Islands."

What that means is that the ultra-sound, x-rays, etcetera, are also free and we believe that this is only in keeping with good public health and good prevention and leading to the birth of healthy babies when we allow this kind of thing.

The next change is to Regulation 7 and it referred to indigent persons and it says:

"7. The fees payable for services and prescriptions received by indigent persons shall be waived, in whole or in part, upon the presentation of a certificate to that effect signed by or on behalf of the Principal Secretary in charge of Social Services."

Section 8 of the new Regulation says:

"8. The fees payable by a patient at a health care facility shall be waived, in whole or in part, if the patient presents a card issued by the Authority identifying him to be an indigent person."

We have structured it that way so that there is an additional control or check and balance on those people who are certified as indigents. Once they are certified as indigents by the Social Services Department, the Health Authority will then issue them a proper ID card which is tenable at the facilities operated by the Health Authority.

Regulation 7, (8) of the one before the House deals with contraceptive services free. When there was a change in the regulations in 1985, all contraceptive services including clinics, devices and drugs shall be free of charge with the exception of such intra-uterine devices as may

be specified by the CMO. So all contraceptives are free, except IUDs. Under the new Regulation we have included IUDs as a form of contraception that will be free of charge.

Now, Madam Speaker, the old Regulation and a number of Executive Council decisions as to who is entitled for free care left a number of person who claimed to be entitled, and were told they were entitled to free care, but they were not clearly identified. In Regulation 9 before the House we have tried to clearly identify those people who are entitled to free services at the Hospital and this is what the Regulation 9 reads as:

"9. No fees are payable by a patient at a health care facility if the patient presents a card issued by the Authority identifying the patient to be -

- (a) a public officer or the spouse or a dependant of a public officer (to the extent provided in the terms of employment of the public officer); or"

Although civil servants have enjoyed free medical care for a long time, no where in the 1975 or 1985 Regulations is there the authority not to charge civil servants and their dependents exist. We know it is in the personnel regulations and we have made one small but significant change in this and in fact where it use to say I think the personnel regulations read the wife of a public servant. We have changed it to spouse so that the husband of a working lady in the Civil Service will receive the same benefits as the wife of a working male in the Civil Service.

We have added:

- "(b) a member of the Veterans Association of the Cayman Islands or the spouse of such a member; or
- (c) a member of the Veteran and Seaman's Association of Cayman Brac or the spouse of such a member; or
- (d) a person receiving a pension from the Government or the spouse of such a person; or
- (e) a serving member of the Legislative Assembly or the spouse of such a member; or
- (d) a patient who is being investigated or treated for AIDS, tuberculosis or malaria if so certified by the Medical Officer of Health."

We have sought to clearly identify the categories of people who are entitled to free care and I think it is safe in saying that those categories cover all of those people who have been enjoying free care at the Hospital. The Schedule that is attached to this is the same fee structure under the itemised menu such as:

"1.	Hospitalisation - per day	\$200
2.	Intensive care - per day	\$300."

That was approved, as I said, some 24 months ago.

Towards the back of this Schedule we have added some diagnostic review pricing and where we have and where we have fixed a flat fee for certain procedures. For example and I do not pick this one for any particular reason but a vasectomy is \$300. If you have to stay in bed for six or eight hours to recuperate, that \$300 includes the Surgeon's fee, the Anaesthetist's fee and everything. The removal of warts with General Anaesthetic is \$250, with Local Anaesthetic is \$50. So we have grouped various minor procedures, intermediate surgical procedures, depending on the time, up to major surgical procedures and added them to the Schedule and it is in these areas that the public will find some minor reductions in what it cost to get the procedure than if we used the itemised bill in the first part of the Schedule.

Madam Speaker, I ask Honourable Members to support the motion before the House. Thank you, very much.

THE SPEAKER:

The House will be suspended for 15 minutes.

AT 3:32 P.M. THE HOUSE WAS SUSPENDED

HOUSE RESUMED AT 3:58 P.M.

THE SPEAKER:

Please be seated. Proceedings are resumed. Government Motion No. 12/91 Be it Resolved that the Health Services Authority (Fees) Regulations 1991 made by Executive Council on 12th November, 1991, are affirmed. The motion is open for debate. The Second Elected Member for

Bodden Town..

MR. G. HAIG BODDEN:

Madam Speaker, it is not expected that the Backbench nor any well-meaning person in the Cayman Islands will support the motion before the House since it is now a known fact that what the Government is proposing to do through the Health Services Authority really cannot be done and I think it is time that the Elected Members of Executive Council tell the people of this country the truth about the Health Services Authority and this whole matter of the fees, the insurance and the new hospital.

That truth is, as I said in a previous debate last week, that despite the exorbitant fees now being charged and despite the insurance which is to come we know that the cost of the medical services will not be met in this manner. It is time that the public be told the truth and that the public will be further taxed and that the reason why nothing is being said about the further tax which is needed is because we are so close to the 1992 Elections.

We have been told that we are following the Bermuda Health Services Plan and their insurance and everything is going to be well because it has worked there. Let us be honest with the public because I have in my hand a summary of a few of the fees charged to in-patients in Bermuda. These fees are not sufficient to cover the cost, neither is their insurance sufficient and the people of Bermuda are now being taxed an additional 4 per cent on their income to cover this same mad scheme which we are embarking upon.

For example, in Bermuda they charge US\$469 for semi-private accommodation. This amounts to CI\$375.20 which we know is almost double the \$200 per day charge which we make. They also charge for private accommodation US\$565 per day or a total of CI\$452. That is two and a quarter times what we propose to charge and it is not sufficient. They charge non-residents US\$847 per day which is CI\$677.60 or three times what we charge and it is not sufficient.

This information would have been available to Executive Council which the Member could have passed on now if the meetings had not been sabotaged. I understand when Doctor Clarence James was here he did not meet with the Government Doctors at the Hospital. He may have met with a selected few, like the venerable Martin-Smith or so, but I do not know that he met with the Health Services people.

The population of Bermuda is more than double the population of these Islands. I think the people are just as affluent and if they are charging fees that are more than double what this Government is charging and they cannot make this monstrosity of a Health Service work, how are we going to do it with one-half of the population?

I believe the Member knows this and I believe every Member of Executive Council knows it and I believe they are not telling the whole of the story to the public and it is time that the public knows the truth. I trust that they will forget about the buddy system, and that each Member of Elected Executive Council will get up and say to the public 'We know you are going to have to pay more, but we are just waiting if we get elected after 1992 to put on the extra fees or to put any income tax.' This is a serious situation which is alarming every person in the medical services in these Islands. Apparently only two people (the Member and one other of his agents) are not alarmed but everybody else is and it is time that the public knows that they are being fooled by Executive Council and fooled badly.

We know that these fees, which we are asked to approve, are the fees which the Executive Council put up in those halcyon days of yore, when they were carried away and every six months there was an automatic tax increase until the fees had quadrupled. What we do not know is what is going to be the cost of the health insurance. We have not heard a single word from any Member of Executive Council as to this unknown cost and I think it is time that their little game stops because the Member of Health is doing with the Health Services what the Member for Tourism had done with Cayman Airways - bringing financial wreckage and the buddy system allows it to be done.

Even if we approve these fees, and even if we collect these fees, and even if they pay for the insurance, what the Member has not made clear is that all this covers is catastrophic illness and the public must know that only a very small proportion of the public will be affected or will be covered and they will still have to seek means and ways to pay for the rest of it. We do not have firm statistics on it but looking at Government's Reports we see that in 1990 only 3,107 people were admitted to the Government Hospital and these are the people that would benefit from the in-patient care. That works out to about one in eight of the population but we know the figure is more like one in 10 because a lot of those people admitted were not really residents. Some of them might have come off a cruise ship or might be a visitor otherwise. It might have been somebody in an accident that was not a resident and so it is safe to say that only one in 10 spent any time in 1990 in the Hospital and we only have to look at ourselves, Members will know if they examine their own lives how many of them have actually spent a night in the Hospital in their entire lifetime.

While the one person in 10 that may be hospitalised and may face a very heavy bill, this one person does not really represent the masses and this one sickness does in no way represent the amount of costs that is paid for medical services. If we look further at the Government statistics we will see that in 1990, 67,502 prescriptions were filled at the Hospital. That is more than two prescriptions per person per year filled at the Hospital. We have to remember that this Island also has several other large drug stores that fill no end of prescriptions. A part from being in the Hospital there is this big cost of prescriptions which is not covered in this scheme that we are going to pay through our nose for.

If we take this further and look at the Government's statistics, we will see that in 1990 40,843 public health homes and clinic visits were made. People visited clinics, that is more than one per person and this does not include the amount of people that went to private doctors. This is not a part of this heavy cost, and I will not bore you with this much more, but I will just use one more statistic - 1990, 25,396 out-patient visits were made to the Hospital. One per person for the population made to the Hospital but this does

not include the many visits made to private practitioners.

What I am saying is that what we have, before us an election year, we know we dare not put on anymore but if we are going to convert this country into an American style health service you are going to have to do much more. But they are hiding it and medical practitioners know it, people that have worked in Health Services all their lives know it, people in the Government's Health Service know it but they dare not open their mouths because they would be victimised.

This organisation - which has been created and in which the Governor has put in the Member as the Chairman and his first cousin as the Manager - is an organisation which a civil servant dare not buck. A sorry situation! Remember, the Member is not only the Chairman of that organisation but he sits as the head of many of the important committees. He is also the Chairman of other important committees and has full political control. These are the reasons why I stand against the motion that is before the House.

I do believe, in fairness, if there is any Member of Executive Council that would perform, it is that Member because the other three seem to be ornaments. But, because of the buddy system, they fall in line. So this package which is before us today is not intended to help anyone but is intended to help the Health Authority look good, if that is possible. They say that with the buddy system, if you do not manage your buddy carefully in the water, you drown along with him when he gets into trouble. I believe this buddy system is going to drown every one of them.

I do not want to examine the fees which these Members of Executive Council have constantly put up ever since they gleefully found themselves in that position in 1988 in any great detail. If you look at them you will see how ridiculous some of them are. For example, on page 13, for the removal of a prickle from the hand or foot is \$250. Removal of a prickle from hand or foot \$250? They are going to get their money all right. They are telling you that they do not call it prickle, they call it a 'foreign object'. I always knew the word to be a 'prickle'. They have done what is wrong and are trying to take refuge in a statement which the Auditor General made, and believe he recommended that they must increase fees to support their dreams - their science fiction dreams - and create an ideal utopia.

I do not think the Auditor General suggested at all that the Government must lose its head and go out and price the services beyond the ability of this country to pay. Ever since I can remember there were departments of Government which could not pay their way - and which will never pay their way in terms of earning revenue - and these departments must be supported by the revenue earners.

For example, there is our Mosquito Research and Control Unit. Nobody would be so crazy today as to suggest we should do away with the control of mosquitoes but it can never pay its way as a revenue earner. The schools can never pay their way as revenue earners and Public Works itself, does not actually earn revenue directly for Government. These are service departments and I believe if there were two categories, one for service and one for real revenue earners, we would have to put the medical services into an essential service which we cannot do without and which we must pay for, so if the Auditor General has made a recommendation to increase certain fees, the Auditor General is a sensible man, but people can take the words of anybody and make him look like a fool because it is a dangerous thing when one has a little learning, whether it be in medicine or in accounting or whatever. While I agree with the Auditor General that, by and large there are services in Government that can pay for themselves, I know that he will agree with me that there are departments in Government that will never, ever, pay for themselves.

Every time an Exco Member gets up to reply to a Backbencher, they say oh, the Backbenchers get up and ask for roads and they want you to spend money and they do not want any fees increase. What nonsense, because to my knowledge a request of a Backbencher has never been supplied by this Government with the exception of the Member for Cayman Brac and we know why that is done. If they do not agree with him, they will not get their Budget through. So do not talk nonsense about Backbenchers ask to get roads fixed because even if we got all of our requests, they could be financed without increasing the Budget, just by taking a little here and a little there from the consultancies or some other services.

Madam Speaker, I would like to say that I close with a resounding No! against this motion.

MOMENT OF INTERRUPTION (4:30 P.M.)

THE SPEAKER:

It is now 4:30.

SUSPENSION OF STANDING ORDER 10(2)

HON. THOMAS C. JEFFERSON:

Madam Speaker, I move under Standing Order 83, the suspension under Standing Order 10(2) to allow the debate to go on until 5:30.

THE SPEAKER:

The question before the Honourable House is that under the provisions of Standing Order 83, that Standing Order 10(2) be suspended to allow the House to continue until 5:30.

QUESTION PUT:

AGREED.

STANDING ORDER 10(2) SUSPENDED TO ENABLE THE HOUSE TO CONTINUE UNTIL 5:30 P.M.

THE SPEAKER:

The Third Elected Member for George Town.

MR. TRUMAN M. BODDEN:

Thank you, Madam Speaker. This motion to approve the Health Service Authority (Fees) Regulations is one that is now coming under the new Health Services Authority Law and while the Member for Health and Social Services has been talking about there not being any increases in fees, in effect, what is happening now is that for the first time the fees coming before this Honourable House are the fees that Executive Council, alone, increased about a year ago.

The Hospital fees were last increased early in 1983 and for the first time in those seven years, and only after the Government got strapped for cash and was scuffling around in 1990 to find money for the grandiose projects, did we find coming forward the 1990 Regulations from Executive Council. That moved the fees up by hundreds of per cent in all directions. Nothing from what I can see or remember has been spared.

We had rooms increasing from \$50 per day to \$200 per day; Intensive Care was \$25 moving up to \$300, I do not know what the percentage is but it is well over 10 times the amount. This fee and what I am quoting here are the present fees. This is what is now coming out.

The maternity room and delivery room fees are moving up from what used to be \$100 per day to \$225. What is most significant is that now there are many other fees that are put in which are so high that they seem to be and can only be geared to make sure that private people can no longer pay them unless they either have insurance or they support the Member for Health in bringing in mandatory health insurance for everyone. Some of these fees that have been set out in this are so large that things such as an emergency room which used to be at \$30 and \$50 for the minor operating theatre, respectively, begin at \$60 and can now go up to \$250.

One of the things that is the highest in this is a Medical Autopsy and Report. It looks to me that at the very time that a family needs its money most, in the event of a death, which many times is a breadwinner, the fee also moved up. Not by a lot but it has been increased. While it is true that Government pays this, I would guess there are not really autopsies carried out where private people have to pay, so I would assume this means an autopsy carried out on someone who has deceased.

Areas where we find very heavy fees going in are on the dental side. These were very low and now they have gone to where it looks like they probably exceed the United States cost and what the Member has to remember is when he gets the cost of the Hospital here, as he has done, equal to what it is over-seas, then in certain instances people could well choose to go over-seas and there will be a loss of revenue. There must be times when people have to go over-seas anyhow, so that he could well be penny-wise and pound foolish in that while he is attempting to extract as much as he can from Caymanians, what he gains in profit or in fees he could lose in the turnover or the bulk amount that he has at the end of the year.

This seems to be the trend that has happened because we know that the Member budgeted \$3 or \$4 million for fees last year or the year before, and when these fees came in and he fell short by \$1 million. So it is not just a simple situation of putting in the fees and you collect them because when you put fees so high that the public cannot pay for them, then you do not get the increase in the volume of fees that you would normally get if the fees are reasonable.

The Dental Services, especially, have gone up tremendously. The general anesthetic that used to be \$19 has now gone up to \$200 for major surgery and \$100 for minor surgery. These are no longer in the 100 percentages at all. They have moved up by hundreds and in some instances thousands of per cent. For example, X-rays have remained somewhat reasonable and has not increased very much but when you look at any surgical, which presumably excludes extraction because that is separate, has moved up from \$28 to \$100. It goes on and on.

We see really a move here that I believe has been unprecedented in most other countries. I am not against some type of increase in fees, it is obvious that it must go up but it must go up by reasonable amounts and what the Honourable Financial Secretary has said, that the revenue is now being driven by the expenditure, which basically means that Government is spending far more money that it is taking in, then you have the desperate moves by the Government to fill the Government Treasury so that they can get on with their grandiose projects.

The real aim behind all of this comes back to what that I think is probably one of the worse things that this country has seen regarding Statutory Authorities and that is, the Member for Health and Social Services is the Chairman of the Health Services Authority, he is responsible for health care, he is inflicting the fees so that the whole question of any separation and independence of Authorities, which is the reason why they are set up, has been totally destroyed. These fees are the best example of what a Member sitting here with his mind on the Hospital in the swamp, and then also his hand in the pocket of the sick and people in care of medical treatment.

The Bermuda Insurance operates in such a way that the Minister for Health, deals with the service side of it, the running of the hospital, and the Minister of Finance deals with the money. That separation is what is acceptable in the free world these days. This is the only place where we have a situation where Government is everything and is the Authority. The Member is also sitting up there like Cesar and he will decide, at least somewhere in the department, on who gets what in the Authority and who is paid what or how much money is collected. We know that when fees such as this come before the Health Services Authority or any other recommendations from him what he has done in the past is when committees do not agree with him, he dismantles them.

As the Member for Education has tutored him to believe, Executive Council must always have its way. The analogy that was clearly drawn by the Second Elected Member for Bodden Town is that this is just the starting point. The Member for Health seems to have the Authority, what he says he is going to put up, it goes through and I will give him credit for that.

I also give him credit for the fact that he has widened the areas such as the free parts for school children, he has added on contraceptive services and I think he has also widened one in relation to indigent persons. These are good, I commend him for it. On the other hand, when you do so much bad, it is hard to really see the little good when it shows up. These fees, from what the Second Elected Member for Bodden Town read for Bermuda, are just the beginning. The Member for Health has to come honestly to the public and he has to tell us, if he is following the Bermuda system, is he going to put 4 per cent direct taxation on the incomes of people in this country to support the insurance which is basically the Health Services Authority? We know that these fees do not touch the capital projects such as the \$16 million hospital that will probably end up costing over \$20 million by the time they fill in the site.

How is he going to make the Health Service Authority financially independent? I do not see how he can do it. I do not understand how he is going to do it based on the fee structure that he has here when we have a situation that well over 50 per cent, that includes the Civil Service, have free medical treatment. The Elected Executive Council has deliberately left all of the Health Services Authority system, the hospital, the insurance and everything out of the Budget. They are coming now, the eve of the closing of the Legislative Assembly, and standing up and saying they are supporting these heavy expenditures such as the Hospital, so they must honestly tell us how much it is going to cost the country. These fees are now just about up to American fees, because you have to remember these are in CI dollars, \$200 per day here is 20 per cent more in US dollars. We need to know when is this going to stop? One thing we are certain about is that the Health Services Authority is going to gobble up these fees long before the end of next year.

I believe they are going to gobble up the heavy subsidy that the Estimates have given to the Member for his Authority, and I would call it his Authority because this has to be unprecedented to have him in there and as I just heard from the Second Elected Member for Bodden Town, his first cousin is going to succeed him. I do not know if that is true or not, but I guess we will have to wait and see. I guess I can give him credit for keeping it all in the family. That seems to be the rule of the day with these Authorities and Statutory Bodies.

I will be voting against this. If the Member had come with something that was reasonable, if he had come openly and said I am going to need to find x millions of dollars to try to keep this Authority going and tired to honestly put before the House the total situation relating to Health then at least I could have sat down and tried to rationalise where he was trying to go but he is like the person who just rushes head-long and whatever barriers are reached have to just come out of the peoples pocket.

I believe if there is ever any service, perhaps other than Education, that is very high on the priority list, it is to make sure that people get and have access to good Health Services. I see these heavy fees being a barrier to people in need of medical services and the Health Services Authority as another millstone around Governments neck. There is just going to be the need to extract more and more money from the public indirectly through Custom Duties and through increases in taxes, as they have just been doing. What is perhaps going to be the more frightening thing is when we have finally found out how the Member is going to deal with financing the Health Insurance which is financing his Health Services Authority and supplementing these very high fees that are set out here today.

I can only hope that the other Members of Executive Council will try to see reason and try to stop killing the little man because all of these things hit most heavily on them. When these fees reach this height it takes away the dignity of many people who, rather than face the Member and his people to go in for treatment, may well just sit back and not take it because they cannot afford it.

I would not have objected to some reasonable increase but this is phenomenal. I do not see the end of it and I am asking the other Members of Executive Council who seem to always support the Member for Health, one of them at least, get up tell the public the truth and how much the cost of the Hospital, the cost of the insurance is going to be and how much they are going to have to put these fees up when the Health Services Authority gets under full swing?

Thank you.

THE SPEAKER:

The First Elected Member for West Bay.

MR. W. McKEEVA BUSH:

Thank you, Madam Speaker. I do not intend to be long but I do have a few notes to speak from. I do not support these increases as I do not support the route the Member has taken in regards to our Health Services and whatever else is said by the Member, or anybody else for that matter, these increases have come about because he wants to build a new Hospital and he is hell-bent on building the kind of facility that he perceives the country to have need of. He has increased these fees because the route he is on is going to take him millions of dollars to fund the whole entire project.

The Member from day one started on a route by the creation of a large number of new administrative bodies to gear up to work his Authority and he did not have the relevant data and facts to tell him what direction to go in. His staff at the Hospital, the medical practitioners in this country, people of knowledge who have been in the Health Service field for years have told him what he is doing is going to cause havoc in the Health Services.

Everyone agrees that the Member is on the wrong track except for himself. Even Members of Executive Council, some of them say they do not support him. I am saying, the Elected Members of Executive Council are saying this. I am not dealing with the Official side now. Everyone tells him he is on the wrong track and do not agree that the path he has taken is going to help the situation. Where in the world do you find a situation where you find the Minister in charge of the Portfolio in charge of a hospital? Managing the Board? Managing sub-committees which could be better handled by a physician?

The Member has declared that he visited Bermuda. He said his

Principle Secretary visited Bermuda and he has based our Health system and the fee structure on the way Bermuda is modelled. That is not true. Bermuda might have an Authority but the situation is completely different. I have always said that we have to be careful of how we try to implement other countries programmes in these Islands. There are special circumstances established customs with long histories of development and beneath these customs and histories are fundamental differences in attitudes and values that must be considered.

There seems to have been no impetus to search out the most economical way of providing Health Services according to the Member's path he has taken. An efficient hospital is one which can provide the required service at low cost. An efficient hospital is not one necessarily run because the Member of Health has full authority and is the Chairman of the Board.

Tradition, as I said just now, and values have all played a part in influencing the pattern of Health Services, the way they are financed and organised and it seems to me that we have failed to take notice of these. Unfortunately for us the path the Member has taken is not going to give us cheaper Service and we do not know that it is going to give us a better Health Service. A Law does not make a system, nor does a building give better Health Services. When all is said and done, what Caymanians and other residents want to be assured of is a better medical care for as least cost as possible.

I have always said that the Member in these instances has gone the wrong way for whatever purpose he did it, he went the wrong way. Does he know what the average length of stay per bed in the country is? He should know by now that an excessive hospital bed involves waste, whether the extra beds are used or not. If they are empty the hospital is running at below capacity and this is wasting its capital plant. All kind of things can be conjured up by the Member because he has some technical staff supporting him and of those not supporting him they either tow the line or he makes sure that he gets rid of them one way or the other.

Hospital charges are usually based on average costs at an estimated level of occupation. If occupancy is lower than estimated, there will be deficit in the accounts. Does the Member have any information as to patients' preferences for the use of the hospital? For private physicians? Is there any information or has there been any kind of study done on patients preference for overseas medical care?

It would certainly be valuable to piece together such information about what existing services are all about, about the occupancy, about preference and those things of that nature that have a direct bearing on the successful running of a hospital according to the Member's direction, because what he seems to have been saying is that the Hospital must be paid for by the Hospital services.

All these things need to be done so that the priority which he has chosen have been done with the best possible examination of costs and effects of alternative strategies. But he is not looking for alternative strategy, he is looking at what he perceives to be the problem. He is not listening to those professionals in the fields, he is not listening to those technocrats. Instead, the first thing he did was try to discredit them, everyone of them. Of those that he had control over, if they did not tow the line he got rid of them.

We talk about what the cost per bed involves and the situation as is must have some bearing on the whole facility. We know that children, indigents and the elderly and Civil Servants make up 75 per cent of those people attending the Hospital today. Those people who Government is directly responsible for. Can the other 25 per cent successfully fund the project the way that he says it is going to be done?

First he says that he is modelling the system on the Bermuda system. The Bermuda experiences that they have to, as was already said, I believe, tax incomes in the country at a rate of 5 per cent (2.5 per cent by the employer and 2.5 per cent by the employee) and that is after insurance has played its part. So why does the Member not be as big as he claims to be and tell the public what he is going to do? What I heard him talking about the other day? Let him be man enough to stand up in this House and tell the country what he is planning to do? I heard him planning about some political gamble. What is that? That is his income tax move, perhaps he is going to take a new name, but a rose no matter how stink it can be is still a rose and the Member is on that route.

This whole fiasco that he has created with the help of those Members on Council, who just let him have his way, is going to create havoc in our system the way this country has been made up without direct taxation and that is the net effect of what he is going to do. That is why the Member has formed every excuse in the world, not to go to Public Sector Investment Committee with his plans. He claims he has to wait until he gets a load of paper in his hand to take to the committee. That is his version but when we read the purposes of the committee, it should have gone there from the beginning. He knows that he intends to tax the people on their incomes and he knows that he will have the help of the First Member for Cayman Brac and he says that is all he is concerned about.

Right now Bermuda's tax on income forms the largest amount of income for their hospital levy. Not the insurance, not the fees, but the income tax in Bermuda is what is forming the largest proportion of revenue and it must be when you consider what the rates are.

This country was not made up like that and the fees are not going to help. He can increase them until kingdom come but you cannot impose upon the that which they do not accept. All that is going to happen is that you are going to find a larger deficit in the Hospital accounts and what the Member is hoping is that he will get thus far with his plans so that a new administration will not be able to stop them. He is also hoping that they are returned in majority to be able to carry on and then he will dump, or as we say locally, he will lower the boom on us. He has not yet said what the insurance rates will be. I do know a little bit about insurance and Bermuda with a population of 65,000 people, has a rate well over \$60 per individual. How much does he believe that the country can take with a population of 25,000 people? How much do they expect from the country?

We did have a deficit in the accounts of the Hospital, we well

knew that we were spending more than we were collecting, but I say over and over again, that the Member did not have to go in to the Hospital like a bull in a china shop. This was not the route to have gone and this is what is happening with the Health sector. He blew the thing up to make it look like we had problems that could not be surmounted without the route he has taken.

First of all he went there with photographers showing people what he claimed to be a clustered emergency room. People in wheel chairs, decent people that objected to it, they put it in the papers to satisfy his ego, then he called in the Members of the House, but when he could get nowhere with us he went another route.

All this has been done to further his ego. I say that our Health problems or the problems at the Hospital could have been better served if he had sat down and looked at how to collect or make those people pay that should be paying. The people that come to the Hospital come here purposely to deliver their babies and then leave the country after three days. They come here specifically for that purpose. I say that he should have taken a route to let those people pay that could afford to pay but no, he wants a monument left to him with a big poster plaque saying I did it. And what is going to be the result for thee country? A tax on our incomes.

I wish that the Member would really tell the country his plans. Under the system, as I understand it now, we have something like 25 doctors. Why does he not say how many more doctors he is going to need to run the system that he is putting together? I understand that it is something like 16, but I did not get the information back, I questioned the Chief Medical Officer and the Principle Secretary in the Public Accounts Committee but they have not returned with the information. Why?

This is going to cost much more than what they are telling the public. I say fees or his plans are perpetuating these high increases and I say to the lending institutions in this country they take notice because if I am in the Council, come next year, God willing, I am not going to agree to increase insurance rates or room rates or any kind of income tax or any more taxation on our people to pay for the that Hospital. And, I should say, that can only be the three means of paying for the Hospital. I would trust that the lending institutions in this country and those outside take notice because I doubt that the present Member and his colleagues will be directing policy after 1992, God willing.

These fees are just another measure to strangulate the populace of this country. When we consider the high cost of living, how do they expect people to take it? These increases, according to their statistics, is one of the main reasons for the rise in inflation.

It is their opinion, they have said so time and time again, that people are not hurting. That is from their rose coloured glasses but from where I sit, from where I walk amongst the people, daily people are complaining about the very high cost of living. They go to the shop and it is an increase every time you go there. I listen to the people and I walk in the isles of the supermarkets and I hear the complaints. It is foolish to believe that people who do not even make \$200 a week can afford to pay \$200 in a hospital room per day. It is utter nonsense in the Caymanian context to believe that this is going to work without the increase of expenditure. People are not going to be able to afford it unless that Executive Council take the very extreme that is being planned.

Bermuda, and I have to say this over and over again, because it is the whole crux of the matter. Bermuda is funded more than half by a tax on incomes. Why will not the Member and those other Members, who get up in this House and talk about they support it for this reason and for the next reason, not tell the country what their plans are? This political gamble that we hear them talking about? No, they are not being honest to the Caymanian public and it is not only the Caymanian it is going to cost, tourists will have the same effect of more and more cost to them.

How I wish I could change their minds. These projects they say are not grandiose. I think it is very grandiose when you do not have the money to do the sort of things that they are planning. I saw the architect talking about a church, that is all good and well but I do not need a church to pray. I had a child born in the Hospital and I prayed right on the spot. I thanked God for safe delivery, right on the spot, as I asked Him for a safe delivery right on the spot.

Why do we need it? It is extra cost on people that cannot afford it and of course the architects would blow these things up to make them look the way they want them because they are benefiting from the lucrative contracts and I have nothing against anybody making a decent living. I help them. What I am saying is that when this country can not afford something, we should not be doing it and all of us should be men in this House, all of us that agree to find some means of stopping that Member of Executive Council who will not listen, people like myself he gets up and criticises and says I am a grass cutter, I cannot tell him anything. Where is his expertise in hospital rates? Where is his expertise in insurance?

When they cannot knock you sensibly, they stoop rubbish. Anyway, the Member has not said what the cost of the split is going to be. On the one hand they say there is not going to be a split site, and yet, on the other hand they are going to tell you there is a split site because the Clinic is not going to be in the Hospital.

Surely, there must be some rule of thumb by which they should have sat down and figures out all of these costs, figure out the way forward for this country in terms of cost. Have they done it? No, they have not. You know that that extension cord will stretch from that side to this side and therefore the lights will be on the green.

THE SPEAKER:

It is now 5:30.

ADJOURNMENT

HON. THOMAS C. JEFFERSON:
House until 10 o'clock tomorrow morning.

Madam Speaker, I move the adjournment of this Honourable

THE SPEAKER: The question is that this Honourable House do adjourn until 10 o'clock tomorrow morning. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

MADAM SPEAKER: The Ayes have it.

AT 5:30 P.M. THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M., TUESDAY, 17TH DECEMBER, 1991.

**TUESDAY
17TH DECEMBER, 1991
10:06 A.M.**

MADAM SPEAKER:

Prayers by the Member for East End.

PRAYERS

MR. JOHN B. McLEAN:

Let us Pray.

Almighty God, from whom all wisdom and power are derived: We beseech Thee so to direct and prosper the deliberations of the Legislative Assembly now assembled, that all things may be ordered upon the best and surest foundations for the glory of Thy Name and for the safety, honour and welfare of the people of these Islands.

Bless our Sovereign Lady Queen Elizabeth II, the Queen Mother, Philip Duke of Edinburgh, Charles Prince of Wales, Diana Princess of Wales and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, the Members of Executive Council and Members of the Legislative Assembly that we may be enabled faithfully to perform the responsible duties of our high office.

All this we ask for Thy great Name's sake, Amen.

Let us say the Lord's prayer together:

Our Father who art in Heaven, Hallowed be Thy Name, Thy Kingdom come, Thy will be done in earth as it is in Heaven; Give us this day our daily bread, and forgive us our trespasses, as we forgive them that trespass against us; And lead us not into temptation, but deliver us from evil; For Thine is the Kingdom, the power and the glory, for ever and ever. Amen.

The Lord bless us and keep us: the Lord make His face shine upon us and be gracious unto us: the Lord lift up the light of His countenance upon us and give us peace now and always. Amen.

MADAM SPEAKER:

Please be seated. Proceedings are resumed. Government Business. Government Motion No. 12/91, debate continuing by the First Elected Member for West Bay.

GOVERNMENT BUSINESS

**GOVERNMENT MOTION NO. 12/91
HEALTH SERVICES AUTHORITY (FEES) REGULATIONS 1991**

(Continuation of Debate Thereon)

MR. W. McKEEVA BUSH:

Madam Speaker, when we took the adjournment yesterday, I had nearly completed my contribution. These increases in fees were to facilitate the expansion plan by the Member. What the Member has not told this House and the country is what the recurrent expenditure will be. The reason why he has not said it is because he does not want to alert the public to the astronomical expenditure and resultant expense to the people in these Islands.

Madam Speaker, the four Elected Members of Executive Council can say whatever they like. What is being done with the Hospital will cost the Government much more than what it is costing today. That is why the fees have been increased to this level and we have not seen the last of increases yet.

All Members on the elected side of Executive Council claim to support the new Hospital and the fees, with the exception of the Member for Communications and Works, who says one thing on the Floor of the House and tells you another in the Common Room. I hope he will not sit on the fence on this one and will tell the people he represents what his position is, in regards to this new Plan.

Madam Speaker, let me say in closing that from day one the Honourable Member for Health was on the wrong track. He began this whole scene by criticising the present facilities. We gave him money and I do not know what he has done with it. He then criticised his staff and those who he could not intimidate were forced to leave.

Then we had the creation of the Health Services Authority. He then placed himself in the position of Chairman. People have resigned from the Authority yet you do not hear anything about who resigned or the reasons why they left. Is it because they realised that the Member was not prepared to take their advice? Key members of the Authority resigned already because of attitudes. It has not even been one year. That is indicative of what is going on in the Health Services. Then his cousin is placed on the Authority.

Madam Speaker, I am in support of all young Caymanians getting a job but I say time and time again that the Member should not be Chairman of that Authority and then facilitate a cousin. The least that should be done is that the Member should resign. I say it is ultra vires the Law that was passed to create the Health Authority. Doctors in the country, private and Government, have objected to, and kept on objecting to the situation; but he does not listen to his expertise. He does not listen to the technicians or

the professionals. He knows it all. Madam Speaker, everyone in this country is concerned about the expense of this project but the Member listens to no one. He goes ahead as if it is his money he is spending.

Overall, the Member claims to base all this expense on the Report by International Healthcare Corporation, which study began in 1989. The country is still questioning how well, how effective, how detailed and how practical a study that study is. We do know that those studies were very expensive.

We say again and again, that our objective - my objective - for the Health Services in this country is to have a good source of health planning so that we get the right quality provided at the right place and at the right time, and that this is achieved at the lowest cost to our people. It is a monumental mistake to embark upon a plan with a system which already has 25 doctors and is now looking to get 16 more to be able to fully staff the new Hospital. Madam Speaker, this must be the highest per capita doctor/patient ratio in this hemisphere.

In Bermuda, there are about 65 doctors keeping the hospital going, but only 15 are the direct employees of the Bermuda Health Authority. The other 50 are all private practitioners who cover the hospital service but are paid directly by the patients through their health insurance. Those paid by the Health Authority in Bermuda are really emergency doctors and the 15 include six resident doctors who are responsible for patients who are admitted and also are radiologists, hematologists and pathologists.

Madam Speaker, what we see happening here is going to wreak havoc on the Health Services in this country, not only for the Government but the private, those who he cannot control now. He is making Laws so that he can do what he pleases with them. He is bound on a policy of "getting even". He said that when he left the Hospital and he is doing it.

Madam Speaker, our Health Services cannot be run on spite and malice, and that is what is happening. That is why the Member is not taking the advice of the professionals in the field. He said that he was going to get a Chief Medical Officer (CMO) who would do what he wanted, and so it is. As a result of the policy he plans, there will be at least 40 doctors employed by the Health Authority in these Islands - completely different from the Bermuda system.

The point that I am making is that this will cost us much more and expenditure will increase for the Authority. The net effect is that there will be a glut of doctors in the country. People will not change their preferences over night. He cannot force people to attend the Hospital. In these Islands where there are so many private clinics wherein the public is appreciated... user preference must be a serious consideration in the building of a Hospital. But is he taking anybody's advice? No! He says he does not have to go to the Public Sector Investment Committee now. I should think that is a body that would direct him properly regardless of whether he had a plan. Yet he goes ahead spending thousands of dollars to build roads in the swamp where even bulldozers sink. We have no Member on Executive Council who dares stand up and say, "Look, this is enough." They talk about collective responsibility. Collective responsibility should apply where there is sufficient money to do the job. Where is he going to get it?

In the Ambulatory Care Centre he is proposing, some patients who are never admitted to the present Hospital will not be admitted to the new Hospital but will utilise the Ambulatory Care Centre as professed by him. This will also reduce the utilisation of the new Hospital. Madam Speaker, with all of this there is still the policy of having all tertiary care overseas. The Member needs to say what new services will be provided other than what we have now. What I am saying is that in the final analysis, insofar as services are concerned, not much will have been changed. If left up to him we will get a new and bigger building in the swamp and cost will go up.

When the insurance companies find out the entire programme and what it entails, although their business is to make money, they might realise they cannot service what is being proposed because it will not be workable. They will opt out if we do not bring some foolish law here saying that they cannot. This will perhaps give Government reason to start some sort of insurance scheme themselves. The Government expenditure will increase.

Madam Speaker, the lending institutions should take heed of what I am saying, because if I am a part of a new Government I will not agree to heightened insurance premiums, charging higher room rates, or putting any form of taxation on our people in order to make the Member's unworkable system pay their loan. Those are the three components which must service a loan. I ask the lending institutions in this country and outside to take heed. I will not agree to putting more taxation on the backs of the people of this country. They are already overburdened.

The new system will require some form of direct taxation. In Bermuda it is a direct tax on income. The Member should be man enough and honest enough to tell the country what his plans are, and how he is going to make up the difference.

Madam Speaker, I cannot support this structure of fees which only perpetuates his unworkable system. In order for the Member to do what he wants, in the first instance he started with that high increase in fees. He has 300-odd Civil Servants on his hand. I say that this is also, even if only for a month or a few weeks, ultra vires the Constitution because Civil Servants are not directly responsible to an Elected Member. The Government will not take heed, but they set precedence.

Madam Speaker, as Chairman of the Authority, the Member will only damage the Health Services. He cannot make it any better. What he is doing is going to cause the Caymanian people to suffer more.

Thank you, Madam Speaker.

MADAM SPEAKER:

The First Elected Member for Cayman Brac and Little Cayman.

CAPT. MABRY S. KIRKCONNELL:

Thank you, Madam Speaker. I rise to speak on Government Motion No. 12/91, and I crave your indulgence that I may read the Motion before the House, as I will be speaking to the Motion.

"WHEREAS section 15(2) of the Health Services Authority Law provides that regulations establishing fees to be charged by the Authority are subject to the affirmative resolution by the Legislative Assembly;

AND WHEREAS draft regulations entitled the Health Services Authority (Fees) Regulations 1991 were approved by Executive Council on 12th November, 1991;

BE IT RESOLVED that the Health Services Authority (Fees) Regulations 1991 made by Executive Council on 12th November, 1991 are affirmed."

The purpose of this Motion is to ask Honourable Members of this Legislature to affirm the decision of the Executive Council on the fees structure which has been in operation at its present level since 1st June, 1991. I hasten to say that we are not here today asking to increase fees beyond the level that has been charged since 1st June, 1991. I also want to make it clear to the listening audience that in the Health Services Law of 1975, fees were established then and there were no provisions in that Law which required the affirmative action of this Legislature for these fees to become a Law. Regulations are made by the Governor in Council and they became a part of the Law. They were amended in 1983, and again in 1990 with a three tiered amendment which enabled us to get away from the 95 per cent subsidy which Government had found itself paying for our medical services - not only to residents and Caymanians, but to all people using the services of our Hospital because they could not bill other than the fee schedule which had been approved by the Governor in Council. When a bill was made out by the services at the Hospital, the tax payers of this country, the little people who we hear referred to so often in this Honourable House, were picking up the tab for 95 per cent of the foreigners who were getting service in our country.

We are very grateful for all who come here, but I am sure most (if not all) of our visitors who come here have been accustomed to living in areas where there have been high medical fees, non subsidised medical fees for generations. Most have been covered, at least from North America, by health insurance and, therefore, when our fees were below cost we were not actually helping our visitor but we were helping the insurance companies which carry those policies.

Therefore, when a decision was made by the Governor in Council (which I think was a wise decision to try to get our fees nearer to actual cost) it was realised that the community (we the local people) could not accept it in one chunk. It was decided to make it progressive. An increase came into effect on 6th June, 1990, another on 1st January, 1991 and the third on 6th June, 1991.

Again, I want to repeat that we are not talking about an increase here today. We are talking about affirming Regulations which have been passed, and have been the regulated charges of this hospital health system since 6th June, 1991.

Madam Speaker, our country has been a very fortunate country over the last couple of decades, but we are not a wealthy country. We do not have any natural resources which we can draw upon. We do not have any bauxite, or oil. Our source of revenue is mostly from our offshore banking industry and tourism; both are very fickle industries. Both are controlled by elements beyond our control.

We today, see the serious world situation in the East. We see the depression, recession (call it what you will) in the United States. We hear repeatedly of the high medical costs causing concern around the world, and if we do not attempt to make adjustments and provisions to take the burden off of our Government revenue, which is generated from other sources, we are going to find ourselves in very serious trouble. Therefore, Madam Speaker, I am standing here today to make my position very clear on the need of this country for a hospital and improved medical facilities. Nobody can tell me that it will not be cheaper for this country to be able to serve the needs of the Caymanian people than it will having to send them overseas. There will be cases which will not ever be able to be treated, as there is no one hospital in any part of the world that I know of which can handle all cases; but there are many which can handle most.

Madam Speaker, I realise we are almost at the end of 1991, and 1992 is the year that has brightened the eyes of most political candidates as the year of the next General Election. Certainly, it is an opportune time to say what I will do and what I can do, but we must face reality here today. The responsibility of running this country cannot wait until after the next General Election, it must be a continuous process.

I read in this Motion where the Executive Council approved these fees for the new Health Services Authority (which comes into operation on 1st January, 1992) on 12th November, 1991. We are not being asked, I repeat, to agree to an increase in fees, and what I have heard could be misunderstood. We are actually only seizing an opportunity under the new Health Authority Law that no Member of this Legislature has had with health fees in the past, other than the four chosen Elected Members of Executive Council. So, I think we are to be very grateful, those of us who sit on this side of the House, to have this opportunity to speak to a Motion which calls for the affirmation of the fee structure of health.

I welcome the opportunity which has been afforded to the non Executive Council Members of this House with the provisions that are in this Law. I am not here to say that everything in the Law is good, but nothing is ever perfect. That is why it is printed on paper and not carved in stone; it can always be changed.

Madam Speaker, as I realise Christmas is just around the

corner, and for me to stand up here and take hours to say what I have already said in a matter of minutes would only be wasting money and time. With these words I support the Motion.

MADAM SPEAKER: If no other Member wishes to debate the Motion, I will ask the Honourable Member for Health and Social Services if he would like to reply. (Pause)

Honourable Members, I do not think that it is fair for me to sit here and wait until a Member has finished his speech, you know. I have been waiting here for a couple of minutes. Would you like to speak now?

MR. GILBERT A. McLEAN: Yes, Madam Speaker.

MADAM SPEAKER: The Second Elected Member for Cayman Brac and Little Cayman.

MR. GILBERT A. McLEAN: Madam Speaker, I reckon I am slow moving, and it takes me a while to rise, but having risen I would like to speak briefly on the Motion which is before the House, Government Motion No. 12/91, which is asking for the affirmative action of the House to accept certain fees which are to be brought into effect.

These fees are to be the fees levied by the Health Services Authority in January of the coming year. I note that these fees are already in effect, or at least that is my understanding. These are presently being charged by the Hospital, but to have them affirmed here in the Legislative Assembly it will authorise the new entity (which comes into effect 1st of January, 1992) to go ahead and place these fees in the areas in which they have been designated.

Madam Speaker, this schedule is quite impressive in the terms of its details and the breakdown of services which the Health Authority envisages it will be offering. I think it is good that the public as a whole has its attention drawn to the fact that there are such fees in existence, exactly what they are and what they are proposed to be for.

In the past fees were also in the Law but I do not think that the attention of the public has ever before focussed so much on health care, health services, and health fees, as it has in the past two years and right up until to date. I welcome the informative part of this exercise, in that it is always good that the public should know before hand what the fees are. If a person is thinking of an elective operation or a particular service which they need, they can actually know before hand what the fees are. It is not left to the discretionary position of a doctor or the Hospital Administrator, as the case may be.

I think, too, that this exercise has brought us further into a civilised type of situation. By that, I mean that this Legislative Assembly, all of the Elected representatives of the people, have the opportunity of saying, "Yes, you can charge these fees," or "You cannot charge these fees." That is a great step beyond what existed prior to this time. For, what happened before was within the ambit of the Governor's discretion. I have always held that that is a very unhappy situation, and without the involvement of the wider elected representatives of the people giving their assent is very one sided. So I welcome this Motion and these fees from those particular points of view. I do not know exactly how these fees were arrived at, what criteria was used, or what components of costs were factored in when arriving at these charges. I guess this lays in the hands of the persons responsible at the Hospital and the Member responsible and his staff.

On the face of it I would have to assume that what was taken into account had been the salaries of the staff who would be operating the Hospital, the various charges for electricity, for instruments, for medicines and all the rest of it. That, I think, would be some of the proper elements to have in arriving at these costs. What I can say is that never before in the history of this country have fees at the Hospital ever been so high. That is an inescapable fact. I state here that never before in my life have I heard so many people speak about a hardship in paying the fees which were imposed at the Hospital.

Only yesterday, a good friend of mine left the Island with his wife to go to Miami for medical attention. While he was not confined to the Hospital, he was there for 10 days. That \$200 multiplied by 10 days is \$2,000 which he will be expected to pay. I was seriously concerned and felt the deepest sympathy and some anger about the situation. The fees are high but the administrative vehicle which could have made those arrangements come together and take care of that situation were obviously not in play. If they were, then this gentleman did not get the benefit of them.

Out of that exercise something came to my attention which I will state it here before the House and the Member. It appears that there is a need to have someone who sits down with individuals and pointedly and honestly says to those persons when such cases occur that the Government can help, with whatever amount, and that other areas are strictly for the patient to find. The Government does not pay, for example, for a spouse who is accompanying the person. A person who is expecting Government to meet certain costs must level with the Administrator, or those in the administration and say, "Look, I am broke," or "I have a house," or "I have a \$1,000, and that is all that I can put towards it," so that both parties are clearly aware of what is required of them. I do not believe that is happening, at least not in the manner that it should. Time is wasted. No one seems to want to get to the point, and I believe that is something which needs attention straight away, because we are talking about costs to patients and to the Government.

Hopefully, the person would receive care that would make them well again, and it would be arranged so that in the long run, he can make the repayments to Government, or Government can determine (if he is not able to pay) what will be the necessary steps.

Madam Speaker, what is clear is that these increases which have come into play over the past 18 months and the present fees at the Hospital, increases the number of people

whom Government must subsidise. For, if it was \$40 before this time and a person who is financially strapped could meet it, if it goes to \$200, it goes without saying, now they cannot. These fees are creating a larger percentage of people for whom Government must be responsible without health care. The Honourable Member should take note of that. I think this House should take note of that. I think the country as a whole should take note of that.

I believe, too, that the Government and the Honourable Member responsible need to be aware that there are some people who, out of good, old Caymanian pride, will not go to the Hospital even though they need medical attention simply because they cannot pay and they are too proud to ask for it; too proud even to go to their nearest relative and ask for money to pay for it. Pride and embarrassment. This situation of increased fees at the Hospital is creating a social problem. That is a fact. I know of some instances.

Madam Speaker, I think that the increase in fees has had some detrimental effect on the provision of health care. Overall it has brought greater administrative stress on the people at the Hospital who have to see to the billing and the receipt of Government monies. It has evoked some greater sympathy from nurses and doctors who are aware of the situation and who see about patient care, and overall there has been a negative effect from it. I am not saying that cannot be reversed into a positive situation. I believe that it can; but that is as it presently stands in my opinion.

Government has enforced greater cost on itself in attempting to implement these particular fees. What I believe is most important at this time where these fees are concerned is Government, itself, and the people who go to the facility to get the health care services, finding a way and a means of meeting these costs. That comes, of course, through the only means that I have heard about, and that is in some form of national health insurance. I will speak briefly on that in a few minutes.

The Consumer Price Index indicates an increase on food and other basic living items which have had a direct effect on people's lives and thus on their pocketbooks and the money available to them for their health care is lessened.

Madam Speaker, fees have been increased at the Government Hospital and the Health Services Authority. But until now there has been no national health care insurance in this country. When I debated the Motion which the Member brought here to establish a Health Services Authority, I pointed this out. I disagreed with the implementation of that, the attempt of a new Hospital and everything else which went along with it in the way in which it was being put forward all at one time. I could not see the logic of it, and I could not see the sense of imposing the fees to the extent that was done without the means to pay. I said that I criticised him from A to Z, and I still criticise that particular position.

I believe now, as I did then, that one of the greatest priorities in this country in the face of mounting health care costs is a national health care insurance. In the United States, 36 million people do not have access to health care, so we are not unique. We simply have a problem as many other countries do, but we need to try to solve it as best we can. I believe that the way to do that is through a national health insurance plan.

I think that should be the priority of the Honourable Member: to solve the problems which, in effect, have come about by his actions in terms of raising the fees and in terms of attempting to create a new system of health care delivery based on the American system, while at the same time trying to create an ultramodern Hospital. A way needs to be found to pay the fees. Madam Speaker, I have to support the concept of a national health insurance. I know of many people in this country who are aging and in need of health care but they cannot pay for it.

I am one of the 12 elected representatives who have the responsibility of knowing that the cost for our health care is increasing and that something ought to be done about it. So I must support such a concept, and I must support it knowing and believing that we cannot come up with the perfect one.

The United States has one, Canada has one, England has one, Germany has one. Out of the sum of them, and I have paid some attention to it in recent times, it seems that the Canadian health insurance scheme keeps popping up as being the one most likely to be acceptable. Even the United States is looking at it with different eyes. I have enough information about it to believe that the one in Bermuda is set up using it as a model. The one that is presently proposed here is based to the largest extent on the Bermudian model. Irrespective of other arguments to the contrary, I do have enough documented proof to know that to be a fact.

Madam Speaker, we have the fees. I believe at this time that the Member's responsibility should be to take those fees and go to the insurance community and work with them to arrive at premiums which could meet those particular fees. I doubt very seriously, even if there was a change of Government, that any Government would go in and say, "Look, we have come to save you from \$200 a night, we are going to put it back to \$25." That is ridiculous. It would never happen. How could it happen, when there are a few who go there who have some insurance and have been paying those fees? That kind of reversal would have a capsizing effect, I postulate.

Madam Speaker, when the fees were first imposed the insurance plan should have been there at that time, not trying to mix it all in with a new Hospital. That is too large a project at this time which is detracting from getting the means by which such a thing could survive in place. I believe that members of the public have suffered by not getting the attention in our present hospital facility because so much energy is being directed in that particular direction.

Madam Speaker, this particular matter of health care insurance has been spoken about to some extent by other speakers. I cannot stand here and criticise any Member who attempts to bring one into play. I think it is very courageous, extremely courageous, for I have been around this whole Government scene for quite a while. As a civil servant for 17 and a half years, and in the House for three years now, I well remember as far back as 1978 when a Mr. Longford made the suggestion that we should have

some sort of national pension. I remember the screams, "That is socialism, that is socialism." Now that it is 1991, it is some other kind of "ism". I call it "foolism".

I believe that our duty in this House is to attempt to arrive at a national position whereby the Member for Health can arrive at a means to create and produce a national health insurance plan here so that all of the people of this country can be covered with the least financial strain to all. I am not impressed by Government at any given period. I was around during the Government of 1976 to 1984. I was around during the Government of 1985 to present and I could find numerous faults with both. I have no undying alliance to any. I am the only independent candidate who was elected in this House and I was elected in 1988. So I have no axes to grind on either side, except to draw reference to what one may have done or did not do, where it relates directly to the present.

So, Madam Speaker, my message to the Member for Health is that he should set his priority on finding a national health insurance scheme quickly to meet the costs which are involved in these schedules and fees which he has presented to the House. In so doing the insurance company will pay so much, or the individuals will be able to pay so much, and there will be those persons who cannot pay. We have quite a line up of them. How many countries in the world offer their civil servants free medical care? free dental care? free spectacles? School children are all free, pensioners are all free, Members of the Legislative Assembly are all free; farmers and seamen are all free; war veterans are all free. I am not saying that is bad. I am saying that is quite remarkable, but someone has to pay. In this case Government is paying. Some individuals are in a financial position to pay, and I dare say they will if there is proper insurance for them to subscribe to.

Government is presently picking up a 95 per cent tab for free health care in this country. It cannot continue, in my opinion, to constantly go digging into the revenue which is raised to take out so much. I believe that the Government has to arrive at a position where it is going to create a special fund to find money which is earmarked specifically for that. How can they do that? There is only one way: Taxes. No taxes are good. There is no such thing as good taxes. There is no such thing as putting taxes in place which do not hurt somebody in the community. It is impossible.

What I believe is my duty and the duty of the Members of this House is to find the most acceptable means. Do you do as they do in Bermuda and say, "Look, 2.5 per cent will be taken to go into the fund and your employer has to pay the other 2.5 percent."? No, no. There will be those who say that is income tax. What a terrible thing this income tax. Do we realise that we pay income tax? Do we realise that our income has been taxed in this \$10 million tax package and that everyone who has bought cigarettes and any kind of alcoholic beverage since 15th November has paid income tax? If you believe that it has not taken more out of your income than what it did prior to that time, you are wrong.

So if the most acceptable way is putting fees on foodstuffs, or things which come in through our dock by way of customs duties, then do that; but the way needs to be found to create a national health insurance that can involve all of the companies capable of offering health care insurance at the best and lowest price to cover the basic health care needs. For those who want more, let them buy more. I believe Government needs to find and identify a way in which it can specifically fund the amount of money that it has to pay each and every year to provide free health care to this country.

Madam Speaker, that is a major priority. Taking precedence over the Hospital the Member wishes to build when he comes and ask for these fees to become Law under the Health Authority Law. It is my opinion that the health insurance should be side by side. The cart is before the horse here, and if there is no health insurance I will not vote for these fees that are presently before the House.

Thank you, Madam Speaker.

MADAM SPEAKER:

The First Elected Member for Bodden Town.

MR. ROY BODDEN:

Thank you, Madam Speaker.

In rising to make my contribution I am reminded of an address given by that eminent Whig, Edmund Burke, to a group of sheriffs. On that occasion he was outlining the responsibilities of a representative of the people. He gave three responsibilities. I will just take one which has its relevance in my address concerning these Health Authority fees. Edmund Burke said "...a representative of the people must be a buffer between the people and the Government." It is on these occasions that the people need a buffer because while numerous cases can be made for the idealism and foresight in this plan, it fails dismally in its practical application.

Madam Speaker, no representative can stand by and have taxes increased and fees implemented on his constituents without rising to voice objections or to present himself or herself as a buffer between his people and these fees. Much has been said, which is not necessary to repeat now, but I would like to underscore one important point. This plan, as it has been outlined, is not workable because some of the very fundamental information which should have been gleaned and which is necessary for the successful implementation of this plan has not been outlined in this House. I will give some examples; how many people that will be incorporated in this plan be unable to pay anything at all, is that number 10, 50 or 1,000; what is the average length of stay for people who are going to be using this Hospital; what is the average length of stay for people who use the Hospital now; and how many doctors are we going to need to attend to these people?

Madam Speaker, what will be the cost per bed? It is all well and good to come up with a plan, but it is an entirely different thing to implement that plan. People are already complaining about these fees. I am saying that they cannot pay \$200 a day. Do you know what we are going to do in this country? We are going to create social chaos and disaster because we are going to have people who are too ill to afford proper hospitalisation. Do you know what should have been done? It should have been taken one step at a time. We should have tried to implement a proper system of health insurance. We are biting off too many

large things and it is going to end in chaos simply because prior to this, we have been accustomed to a system of socialised medicine.

Remember, there are only 26,000 people in the Cayman Islands. This plan is predicated upon the Bermuda model where there are 60,000 people in the population. What the Member has not told us yet is how he is going to arrange his system so that we in the Cayman Islands will not have to pay the 5 per cent levy which the people in Bermuda have to pay. How is his system going to be so structured that it eliminates that?

Madam Speaker, I am not supporting these Health Authority fees. There is no way! That is my alpha and omega. The Member must come to this House with a sensible plan because in this day and age of budgetary constraints and recessions, now is not the time to be idealistic with the country's money.

Thank you, Madam Speaker.

MADAM SPEAKER:

If there are no other Members wishing to debate the Motion, would the Honourable Member now wish to wind up?

HON. D. EZZARD MILLER:

Thank you, Madam Speaker.

Madam Speaker, in replying to the debate on Government Motion No. 12/91 entitled Health Services Authority (Fees) Regulations, 1991. I crave the indulgence of the Chair to reply to all of the political rhetoric and repetition by the Backbenchers who have spoken on this Motion. However, most of what they have had to say was neither germane material, pertinent or reliable, nor was it dependable or trustworthy. As I will demonstrate in my attempt to reply to their debate, so that the listening public can be the judge of who is giving the total picture or making those decisions which need to be made in the interest of the people of this country, irrespective of whether those decisions are politically popular or not.

Madam Speaker, since I was given this job by my peers and assigned these responsibilities by the Governor in November 1988, I have sought to do only one thing: that which I thought was best, having sought the widest possible consultation on the matter for the people of the Cayman Islands, not what would most likely get me re-elected.

Madam Speaker, it is basically an accepted fact or rule that in political life candidates with strong and aggressive personalities and programmes to sell get elected more often and last half as long as candidates who are accommodating and compromising with no programmes or plans to sell. I am of the first mold of politician, with a strong, aggressive personality, and I am prepared to make decisions, put long-term plans in place and defend them in the public forum. I am not ashamed or apologetic for that, but the Second Elected Member for Bodden Town, the Third Elected Member for George Town, the First Elected Member for Bodden Town and, especially, the First Elected Member for West Bay who changes political affiliations as often as he changes modes of transportation to the Legislative Assembly, are all of that compromising, accommodating mold and have no definitive plans. They can accommodate anyone, "What is your plan? That is my plan, we can take that." Their first priority is to get re-elected. They are already making proclamations and dangerous proclamations about what they are going to do with the policies of this Government, good or bad, for political reasons if they are given the opportunity to form the Government in November 1992.

One of them likes to take the Good Lord's name in vain on the floor of this Assembly and says, "God protect us from the four Elected Members of Executive Council." Madam Speaker, He is a good God and I do not believe He is going to subject this country to their kind of administration. The election battle for 1992 to form the Government has yet to be won. They have drawn their political sabres...in fact, they never sheathed them from November 1988. Every opportunity they get they try to overthrow the Government to have musical chairs in the Assembly because they do not believe in their hearts that the public of this country is going to have the trust or the faith in them to give them the mandate at a General Election to form the Government.

Madam Speaker, I am drawing my political sabre today too. The 1992 Election is right around the corner. They want a seat in North Side? They have five candidates so far. None of them can take the seat away from me. They have no track record. One Member was in here because the people of Bodden Town gave him a chance, then somehow he resigned because he could not take the heat. Madam Speaker, he had help in Bodden Town, he had another Member. Now he will have to stand alone for the people in North Side. But, Madam Speaker, it cost them some time, a lot of shifting of political allegiances for convenience and political expedience to get him out. It is going to cost them all of that plus more to get in a seat in North Side, because my track record as a representative of the people of North Side can stand the test of time.

You hear of those in the House threatening to come to North Side to campaign to get their candidate elected. Do you not think the people of North Side deserve a Post Office? The Post Office that I am building for them is too good for the people of North Side. That is how they feel about the people in North Side and then they have to come up and tell them who to vote for. Welcome! It will cost them \$10 to get into Town Hall. Have as many meetings as you want.

The latest shift by the First Elected Member for West Bay is that he has created a one-man party and he is concerned that somebody else might be the leader. The newspaper report said; "If the party asks him, the only member, to be the leader he will accept it." But, of course, you have heard him promising the Third Elected Member for George Town to campaign for him and help him get a seat in his Government in 1992. Now that ought to serve the Third Elected Member for George Town, where his constituents are concerned, quite well in an election. That is the kind of help he needs.

Madam Speaker, I am going to do my utmost to campaign. I told him that in June 1989, in North Side, that I was prepared to take them on and save the country from them. In

the interest of time, and at the risk of repeating myself, I will group the comments of the Second Elected Member for Bodden Town, the Third Elected Member for George Town, the First Elected Member for West Bay, where possible, because we know they do not speak about "my" views, their individual views. Everything amongst them is collective, "We have decided." The First Elected Member for Bodden Town likes to say, "We have settled it in the family. In the interest of *solidarity*, I will stick with my colleagues." I have nothing against that. That is a respectable thing in certain situations - not necessarily a good thing for leadership of the country.

Some of their comments are so nasty, malicious and wicked that I must single them out for special treatment in my reply. I hope some of them took the time to read one of the most recent issues of *Time Magazine*, that is, the American issue not the international issue. The featured article was done here. If they did read it, they would see that my programmes and the programmes for health care in this Government are not some place out in left field. The great and mighty United States is considering national health insurance and it is gaining momentum daily, and these people are opposing it for the people of the Cayman Islands.

The contribution by the Second Elected Member for Cayman Brac was a very courageous and timely presentation, as was that of the First Elected Member for Cayman Brac. I will get to their contributions later on in my debate. They have taken the opportunity to give me input on the national health insurance. I will demonstrate in my reply how much interest the other six Members have shown. As recently as last night, on the ABC programme called Nightline, which was discussing the American health care system and the problems with it. I made notes of some of the important statistics as I saw them; the average wait in the Emergency Room, six hours, and for emergency care, six hours. In some of the big cities in the United States as long as 18 hours. Why? Because it is the only access those people have to primary health care. Thirty-seven million Americans have no health insurance, not to mention the homeless and others. Is that what they want for the Cayman Islands?

I do not hear them, except for the Second Elected Member for Bodden Town, throwing any accolades at the Housing Development Corporation and what it is trying to achieve and what it is doing. He has given credit to what is being done there. They are providing homes for low income Caymanians. Almost every medical profession interviewed on that programme (which was a cross-section of the United States from Boston, Massachusetts to California) favoured national health insurance for the United States. One-third of the people seen in emergency care in United States cannot get primary health care follow up. They have no access to it.

Madam Speaker, they get up here and attack me personally instead of trying to contribute to what is being planned and make it the best possible system for the Cayman Islands. I wonder why the First Elected Member for Bodden Town only used one of Edmund Burke's recommendations to that group of people? He claims my plan is not practical, that it cannot work. Where is his alternative? He had four hours. He could have given his alternative to increased fees and the Health Authority structure and a national health insurance plan. He is asking for statistics and saying that I have not brought them to the House. They are published annually in the Medical Report. Then they come here and tell me that I have not done my homework.

You heard him here as recently as yesterday criticising the Member for Communications for increasing Planning fees which were not increased and criticising his Agricultural Plan. At least he has a plan for them to criticise. They have no plan for anything or for anybody to criticise. They are of the accommodating and compromising mold. They seek only re-election.

Now, Madam Speaker...

MADAM SPEAKER:
we take a break now?

Honourable Member, are you going to be much longer? Could

HON. D. EZZARD MILLER:
be considerably longer.

Yes, Madam Speaker, I would appreciate a break because I will

MADAM SPEAKER:

Proceedings will suspended for 15 minutes.

AT 11:35 A.M. PROCEEDINGS SUSPENDED

PROCEEDINGS RESUMED AT 12:03 P.M.

MADAM SPEAKER: Please be seated. Proceedings are resumed. The Honourable Elected Member for Health and Social Services continuing.

HON. D. EZZARD MILLER:

Thank you, Madam Speaker.

When we took the suspension I was giving some of the details on ABC's Nightline which indicated that the American Government will have to give serious consideration to some form of national health insurance in the very near future in order to meet the needs of its people. There are many other statistics to show that the health system in the Cayman Islands, except for the diagnostic technology and the great advancements in tertiary care, are far ahead of the great United States. With primary health care all immunisations (except for one which the Americans refuse to give their children, Bacille Calmette-Guerin (BCG), have greater than 97 per cent coverage in the population.

Last year we had zero cases of measles. This year, so far, we have had none. They have had thousands and thousands of cases of measles in the United States and that is why

we have to be so vigilant in the Cayman Island. And that is why the Health Department puts on seminars and invites all the doctors to inform them on how to properly recognise measles and how to report it. Even to take on the responsibility of completing the forms which they do not want to do. Then you have these Backbenchers here getting up and talking about how we refuse to work with the medical practitioners in the land.

Madam Speaker, now to start to deal with their specific comments, I am grouping the comments of the Second Elected Member for Bodden, the First Elected Member for West Bay, the Third Elected Member for George Town and in some instances it will also include the First Elected Member for Bodden Town. All of these challenged me to tell the truth about the health plan, about the Health Authority, and about national health insurance.

I get up here and make statements, I make statements in the media and they stand on their own merit. The record speaks for itself. I do not have to preface it by saying that I am telling the truth. Most speakers who have to preface what they are going to say about telling the truth are in fact admitting that they are not telling the truth and I will demonstrate in several instances that those four speakers have deliberately not presented the total picture of the facts that they have before them.

The cost of the new Hospital is a matter of contractual obligation between the Cayman Islands Government and Ellerbe Beckett, Chalmers Gibbs Martin Joseph. It must be built for \$16 million or they have to redesign it for free. But I am not telling the truth about what the new Hospital is going to cost.

They like to ridicule the proposed new Hospital about the Member's grandiose hospital in the lake, the swamp, or the Everglades, or any other fun they can poke at it. But I would just like to point out to them that that design is not the Member's design, that is not the Member's decision as to what was needed in a new Hospital. Just as the Health Plan was not the Member's decision. These people did not sit down in my office and design this Hospital Plan solely on my input.

This is the product of approximately 120 professional hospital staff who work in the Hospital. The functional design of that Hospital represents what they say it should be. Not the Member. Some of those people gave way above and beyond the call of duty. Some of those Facility Committees met as early as 7:00 a.m. and as late as 9:00 p.m. and those members did not miss the meetings. They were there to contribute. They took the architect's advice. They read the material the architect's gave them and their input was complete. They stuck with the process.

If I wanted to build a monument to Ezzard, I would do what they would have done - the architects would have met only with me.

Madam Speaker, we even went as far afield as the Ministers Association to get input on the family waiting areas, the office across the hall for them to have private consultations. We had the First Elected Member for West Bay ridiculing them and saying they do not need a chapel, that they should be able to pray anywhere.

Those people met with me as late as 6:30 p.m. last Thursday afternoon to discuss the interior design of the chapel. The chapel is there to provide a quiet place of meditation for patients and staff. But that same Member is getting up here and championing the cause of the staff. He is going to look out for the welfare of the staff and I am going to victimise them. I am going to deal with victimisation separately. We will see whose track record includes victimisation.

We involved the Pink Ladies Executive in reviewing the design so that they can understand how we expect them to continue to make their valuable contribution, which is probably over \$100,000 in manpower time for free. They appreciate the fact that we are designing areas for them to function properly. And then you have the four of them getting up here ridiculing it as the "Hospital in the Swamp."

That is how much they respect technical input and input from the technocrats. Then they get up here and try to make the public believe that I am the one who is not taking it. We would not have the mess that we have up there now if the now Third Elected Member for George Town, who was the Member for Health at that time, had taken advice about putting the Operating Theatre over the septic tanks. But he would not listen to anybody. You could not even get an appointment to see him. I tried for three years.

When they are ready, not even the Ministers are exempted from the wrath of the First Elected Member for West Bay. He criticises all and sundry when he is ready. I will bet them that by the February-March meeting they will be singing a different song about that proposed Hospital because, yes, they have taken the opportunity, in the absence of definitive plans, to present to the public with their scare tactics and to make the public believe that I was designing some grandiose thing that was going to cost, what they sometimes had up to \$50 million. They did the same thing with the MGTP.

When the public sees how reasonable the facility is... and I am going from district to district and I am going to invite the respective Members from their districts to come there and face their constituents (and me) to discuss the design. I will see that they get a special written invitation. I challenge them to come out there before their constituents in an election year and talk about grandiose hospitals and how the country does not need anything, how it is too good for the people of this country because some of us can afford to go to Miami to get a bucked toe treated. Remember the grandiose Dental Clinic that this Member was going to build that could not be built within budget? They came up there at the opening and they had to eat crow. They are going to eat more crow on this Hospital design because it is properly done. It is not a figment of my imagination. A proper architect's brief was done with the people involved who have to work in the system and that is what is being designed and that is what is going to be built.

Now, Madam Speaker, another chorus which they sung was that the fees were too high, increases were too large, the people could not afford them. All four of them were totally confused by the document they have before them, as is usual with things I send to them. They did not take the time to read it properly and try to understand it. If they read it and did not understand it, they could have asked me or

any other professional. They could have had it explained to them.

The Second Elected Member for Bodden Town was at his twisting best with that document. He said, "On the one hand they were too high. On the other hand they could not meet the cost of health care." That is contradictory. Then he used the convoluted logic of the higher fees in the Bermuda situation which I had told him before, but they did not believe. When they got it from Dr. James, it was Gospel where in most instances it was approximately 100 per cent or greater than what we charge in the Cayman Islands. Then they went into the big spiel about the necessity of a payroll tax to supplement the charges. Bermuda's is a 100 per cent higher, they have to supplement it with a payroll tax but mine is too high at 100 per cent less.

Now, Madam Speaker, that kind of logic would suggest that we need to double the fees again. That is not so because you have to look at the total picture. The Bermuda situation has 60,000 people, 330+ beds plus a mental health hospital, plus their annual budget is \$60 million. In the Cayman Islands the 1991 budget for health care is \$11+ million and we have 60 beds. They have a population of approximately 60,000. We have approximately 30,000. Even if you adjust it for population and you cut their budget of \$60 million in half, it is still three times as much as ours. But they present the side of the story that they want to present. Then they tell you that this Government is not telling the truth.

Now, Madam Speaker, let us look at the truth. The truth is in the schedule attached to the motion. That is in black and white. You do not have to believe what I say. The public can come and get a copy of it and read it.

The Second Elected Member for Bodden Town in his usual alarmist way sought to use one line on page 13 to mislead and misrepresent to the listening public and this Honourable House the fees. Let us look at the line he used.

On page 13 item (14) Removal of foreign body from foot or hand, \$250. Now he read that and went on to interpret that to remove a prickle from your hand was going to cost \$250. Totally untrue, totally nonfactual. It does not say that. What the Member failed to read is the preamble to those fees on page 9.

This is what the preamble says:

- "(1) The fee for a service specified under this heading covers -
- (a) the surgeons fee; and
 - (b) the health care facility fees for up to 6 hours after the operation."

Now, Madam Speaker, that is a good sized prickle in your hand if you have to stay in the Hospital six hours after it was removed to recuperate. It goes on to say:

- "(2) It does not cover -
- (a) biopsy charges unless otherwise stated; or
 - (b) the cost of any drugs, medicines or any prosthesis or other implants; or
 - (c) the health care facility costs after 6 hours after the operation which will be charged for at the rate of \$25 an hour."

Now, Madam Speaker, that preamble refers to numbers (57) and (58) of this schedule. They are minor surgical cases and there are 32 such items listed with a fixed cost that includes those items covered in the preamble. Number 58 is Intermediate Surgical Cases. This section is where that Member found item (14). If you look at the schedule, read it and understand it, you will see that removing something like a prickle from your hand, if it was a big prickle and it was bleeding and you had to go to Emergency, it would cost you \$60. If you went to one of the District Clinics and the nurse there could remove it, it would cost you \$15. If you went to the Hospital and the nurse removed it and bandaged it, it would cost you \$10. They have the audacity and the nerve to suggest that I must tell the truth. The public can judge for themselves what is the truth or what is accommodating and compromising political rhetoric to get them elected.

Madam Speaker, the Third Elected Member for George Town said these increases were in the hundreds of percentages. He pointed out that the last increase was in 1983 under his tenure as Member. Those fees never came this route though. He did that in Executive Council and the public found out after they went to the Hospital. It is my information, and he says that I must charge what it costs, that he did not accept the recommendations of the technocrats in his department as to what the fees should have been at that time. I know, I worked for him from 1976-1978 and I resigned in 1979 and we made at least three applications, his Principal Secretary at the time, now the Honourable Member for Communications can confirm it, to increase the fees and he would not hear about it because it did not suit him politically. It does not fit his mold of accommodating, compromising, "get me elected" politics.

That is why the increase has to be so big now. If it had been done gradually, over the years, we would not need the big increase today. But they give staff increases so they can get them at the polls, right? They do not increase the revenue, right? They expect to add services but they do not increase the charges to increase the revenue to pay for it. And they talk about "upside economics" and "voodoo economics". With a track record like that I would stay out of economics, period. I am going to point out when it comes even to the Third Elected Member's special area of competence, he is not as competent as he would make

some of us believe.

He even said the dental fees were much higher than they are in the US. I did not have the opportunity this morning to confirm or deny that but I doubt you can get those kinds of dental services in the United States for those fees. If some of them are higher, as when you get silver fillings, we have to import the materials into this country and it costs more to get it here to the dental chair than it does in the United States. And, Madam Speaker, he went on and one about the \$1 million shortfall in 1990 and put that squarely on the shoulders of increased fees because we estimated \$2 million and we only got \$1 million. Nothing could be further from the truth and the Member is aware of the facts that caused that shortfall. The Government had planned to introduce a health insurance scheme with Aetna for the civil servants and that is where the extra \$1 million was going to come from. We met the goal from the hospital fees but the health insurance plan for the civil servants did not materialise for various reasons, not entirely the fault of Government. The Member is aware of that because I said it in my debate on the Budget Address.

Madam Speaker, the First Elected Member for West Bay was the most confused of the three and I can understand that. I can sympathise with his not understanding because it would be stretching their meanings to suggest that he was either shrewd, astute or quick witted. Especially, as he tried to lecture me on the methodology of rate setting in health care institutions when he suggested that the rate structure should be based on your average cost of occupancy.

Now, Madam Speaker, I want him to show me the formula to calculate the cost of occupancy. Occupancy is the percentage of beds occupied out of the total beds you have, averaged and it varies for every sickness under the sun. The average stay for an appendectomy might be five days. The average for getting a prickle out of your foot might be less than six hours. The average for mental disease might be six months. All your average occupancy can tell you is that after you set your rates what your expected income might be. That is a very arbitrary test.

That is the Member who is campaigning to be the next Member for Health and Social Services in this country. He is my Shadow Minister, as he calls himself. Like I told his friend it is 12:00 o'clock in the day where that shadow is concerned. I do not have all of the answers. No Member of Executive Council in the history of this country has sought wider input on these matters which I have brought to this Assembly.

Madam Speaker, these fees were not set by the Member for Health, but I have a fair knowledge of how the fees should be properly calculated. They are not based on occupancy percentage. These fees were set by the technocrats in the Department, the Hospital Administrator, the Assistant Hospital Administrator and the Accountant. They are the ones who worked out the fees, not Ezzard Miller. I did not change one item which they priced because if that is what it costs, then that is what it costs. The country must be told the truth. We have to stop pulling the wool over peoples' eyes about what things cost through indirect subsidy. Nobody wants to admit it but everybody wants the best doctors, the best nurses and the best facilities but we should do it for \$1,000 a year.

My only recommendation to them when they brought the schedule to me was that, if that is what it costs, I would accept the recommendation and take it to Executive Council; but I suggested that it be implemented in three stages over an 18 month period so that the public and the insurance industry could adjust to the charges. I did not just publish the June 1990 fees. I published all three of them. Everybody knew from June 1990 what the fees were going to be in June 1991 - a practical, sensible and realistic approach. I did not arbitrarily reduce them by half because it was going to be politically unpopular for me, as the Third Elected Member for George Town did during his tenure.

If my memory serves me right we recommended to him in 1979 that the in-patient charges needed to be \$100. The public can see what he put them at in 1983. No basis in fact, just an arbitrary, compromising, accommodating decision. Rate setting in any health care institution is a very complicated process. The Second Elected Member for Cayman Brac was perfectly right, and some of the charges which he alluded to have to be included, except there are many others.

In the industry one of three methods which are used. One: Take the cost of the non-revenue departments, housekeeping, etcetera, and you apply them to the revenue departments and you close that specific non-revenue department as a cost centre then you weigh them in some ratio as to what they cost and you apply that to the revenue side. When you total the costs you divide them by the patient days to get your cost per patient day. The difficult part is the accounting and statistical information to properly assign the cost, to find the cost of each department. That has to include everything, salaries, utilities, depreciation, equipment, the whole gambit.

Method two is just an improved method whereby you also allocate to some non-revenue departments to get their true costs those non-revenue departments which contribute to them. For example, you allocate a portion of housekeeping costs to Administration because they clean the Administration Block as well as the Hospital which produces revenue or the X-ray Lab which produces revenue.

The third method is an even more refined method, and it usually requires computerisation to assist in defining the cost centres and breaking them down into more areas so that you can find what your specific costs are for each area. You total the cost and you divide it by your total patient days to get your cost per patient day.

Now, Madam Speaker, one of the other non-revenue departments using the third formula is the Pharmacy. The Pharmacy can be a revenue or non-revenue producing department, depending on how it is structured. The third method accommodates that because you have to make a policy decision. Do you mark up medications? Do you sell them at cost, or do you mark them up at 10 per cent? Those are the formulas. The difficulty, as I said, is in having the accounting information, the statistical information, the computerisation technology with method three to specifically and clearly define accurately what the cost is. If

you wonder what the income for the year is, you multiply by the occupancy percentage to get a ball-park figure.

Madam Speaker, the Second Elected Member for Bodden Town used a phrase to the effect of it being a dangerous thing when you have only a little knowledge. I guess he was talking about me. But cast your imagination on how much more difficult it is if you have no knowledge of such things to be the Minister in charge. Now if I am creating problems with some knowledge, just imagine what it would be like with no knowledge. There is an old saying - "If you think education is expensive, try ignorance."

They claimed that it was only another measure to strangle the economy, that it was the largest contribution to inflation. I do not deny that it contributed to inflation but it had to be done. Would I have been honest with the public if my technocrats told me the cost is \$200 for the room and I said, "Listen gentlemen, now 1992 is an election year and I want to get back here. I really cannot carry this down to the Assembly, I mean it is at \$50 now, let us go to \$60 or \$70." Would I have been doing my job properly? Would I have been totally honest with the public? No, Madam Speaker. I have done my job properly.

That is the system that they want. That is the system which they operated under. They gave the public subsidised rates and made them believe that was the total cost.

The Third Elected Member for George Town questioned what improvements I have made to Health Services since I have been there. I have done more to improve the facility in one month than he did in eight years. That is a matter of documented evidence.

Another chorus they sang was that I was not telling the total story about the Bermuda scheme, and that the Bermuda system is not working and that it cannot be adapted to suit the Cayman Islands. I went to Bermuda and spoke to the Minister of Health. The Minister of Health has made two trips to Cayman and we have talked about the Bermuda health system. We have attended conferences together where we have had discussions. I have visited with the technocrats in the country. I have had the Chief Medical Officer, sponsored through the Pan American Health Organisation, in the Cayman Islands for one whole week for discussions... but I do not know what system works. They had a couple of hour presentations from Dr. James, and now they are experts in it. But they never had much to say about what he said because in a nutshell he confirmed that I was on the right track. But they do not have the "cahones", they do not have the manhood to stand up here and admit that in this Assembly.

Madam Speaker, I have never proposed that we adopt the Bermuda system carte blanche. I said we should look at what is successful there, and we should amend it to suit our local situation. That is what we did with the Health Authority. Our Health Authority has some of the Bermuda Health Authority Law in it and it has some which are peculiar to the Cayman Islands.

Again, I did not sit down in my Portfolio alone and write this Health Authority Law. We went to Bermuda, we brought the Laws, we studied them in the Portfolio, we invited the Pan American Health Organisation to get us assistance in writing the Law. The Pan American Health Organisation got the Bermuda Government to send Dr. John Cann to the Cayman Islands for one week, we sat down around a table for eight and nine hours a day and drafted the instructions for the legal draftsmen for the Law.

The Bermuda CMO was asked quite openly to please tell us what the administrative pitfalls of his system were. He was quite candid, and we have avoided them. One of the areas which he pointed out was the levy which they are frightening the people with, where I will have to come back and introduce direct taxation, in that it goes into Central Treasury and the health system does not always get the total amount which was collected because they have to fight their Minister of Finance to get it.

But they know all about the system. They are now experts on the problems of Bermuda after one presentation from one gentleman. Do not misunderstand now, I take nothing away from Dr. Clarence James. He is an eminent professional, the former Minister of Health in Bermuda, the former Minister of Finance, and former Deputy Premier. I believe, which obviously they did not know, he was basically the architect of the Bermuda system in the 1970s. But the Second Elected Member for Bodden Town alluded to that man's presence on the Island and talked to me about sabotage. I will deal with that specifically.

MADAM SPEAKER:

It is my understanding that the House would be prepared to sit this afternoon. Under those circumstances the House will be adjourned for lunch until 2:15 p.m.

AT 12:45 P.M. PROCEEDINGS WERE SUSPENDED

PROCEEDINGS RESUMED AT 2:20 P.M.

MADAM SPEAKER:

Please be seated. Proceedings are resumed. The Honourable Member for Health and Social Services continuing.

HON. D. EZZARD MILLER:

Thank you, Madam Speaker.

When we took the break I was defending the charge laid by the Backbenchers that I was not telling the total story about the Bermuda system and that the Bermuda system was not working and that it could not be adapted to the Cayman environment to suit Cayman's needs. I pointed out that, to the best of my knowledge, the Bermuda system is one of the most successful health care systems in terms of its ability to deliver health care to its total population in the free world.

I went on to point out that I had never told anybody that we were adopting it carte blanche and some of the differences and how we had used the experience and the experts who are working the system in Bermuda to advise us on how to avoid some of the pitfalls and the difficulties they were having in their administration of their Health Authority Law.

Madam Speaker, I alluded to the fact that in the contribution by

the Second Elected Member for Bodden Town that he alluded to somebody's trying to sabotage Dr. Clarence James' visit. I have, as I said earlier, great respect and admiration for Dr. Clarence James, and I gave what his political history was, and he is a fully qualified surgeon. But for that Member's information, and because I been approached by some members of the public who have read the press reports and have been led to believe that the Government of the Cayman Islands had something to do with bringing Dr. Clarence James to the Cayman Islands, I just need to state a few facts.

Just for that Member's information (because I think he said that I had refused to meet with the honourable gentleman, which is not the entire truth - there is some truth to it and I will explain that), the now Member for Education (who knew Dr. James when he was the Minister of Health in Bermuda) and I had a very pleasant hour-and-a-half breakfast with Dr. Clarence James on Thursday morning before he left the Island, after he had attended the various meetings. There was no shocking news to me in his report of what he had been told about what we were trying to do in the Cayman Islands, or in his reports of the reactions to his various meetings.

Dr. James, to the best of my knowledge, was invited to the Cayman Islands by the Cayman Islands Medical and Dental Society. Everyone is aware that prior to that the Cayman Islands Medical and Dental Society (to the joy of some of the Backbenchers) had taken a public confrontational attitude to myself. This, after sitting down for hours on top of hours in discussions with them, and meeting with what I thought were professionals and coming to a consensus on issues and deciding the way forward, only to pick up the paper a few days later to see the complete opposite reported in the paper. I have minutes of meetings which we held.

The truth of the matter is that they organised the whole programme for Dr. James. They did not inform their Portfolio that he was coming. They did not invite me to attend any of the meetings. On the Wednesday morning prior to his arrival, my Principal Secretary had a conversation with Dr. Steve Tomlinson, the President of the Association. While they were discussing another topic he raised the matter of Dr. James coming to the Cayman Islands. My Principal Secretary told him she thought they were being disrespectful to the Member for not inviting him and at about 1:30 p.m. that day he waltzed into my office with a written invitation, as an afterthought. They had already worked out the programme.

Do you know what they invited me to do? They invited me to come to the Lion's Centre and answer questions from the public based on Dr. James's address. That is what they invited me to do. Their only interest was creating a public confrontation between myself and that honourable gentleman. It would have been no embarrassment to me, because they know that I am not afraid to take on anybody in the political arena in Cayman.

Madam Speaker, I can go further than that. Dr. Tomlinson is a liar because what he is telling people about that programme is not so. He told the body of the Cayman Islands Medical and Dental Society that he had invited all Members of the Legislative Assembly to a meeting here in this building at 2:00 p.m. on Tuesday. I have no knowledge of a single Member of Executive Council receiving an invitation to that meeting. It was held at 2:00 p.m. on a Tuesday afternoon. The whole of Cayman knows the Executive Council meets at 2:15 p.m. How were we going to attend? It was planned by him and the First Elected Member and other Members of the Backbench. They did not invite all of the Backbench Members to the meeting.

In that case they got what the Chamber of Commerce got when they brought the expert from Trinidad and put him in the dining room at Treasure Island Resort and invited me to a meeting for a presentation on pensions. They thought he was going to criticise my pension plan and he got up and told them they had better adopt what I was trying to do because it made a lot of sense.

Madam Speaker, that gentleman booked the Conference Room, distributed the programme to his members without having asked the Chief Medical Officer if he could use the Conference Room. We had the Conference Room at the Hospital booked for a meeting with the architects at 3:00 p.m., as was the plan from the day we started the architectural design of the Hospital in July, or August. My diary has, for the plan of action for that design, a meeting with the Hospital architects at 3:00 p.m. every Monday until we finish.

The reason we were using the Hospital Conference Room on that particular day was because we were discussing the interior colours and materials and we needed to space to pin the drawings, etcetera, up. Then he got all hot under the collar when the Chief Medical Officer told him the room was occupied saying that we were trying to sabotage him. That is where the word "sabotage" came from.

He invited Hospital staff to try to get them up in arms against me and the CMO, without telling the CMO anything about it. He organised a staff meeting with the Hospital. In his invitation to me to attend the public meeting he did not even have the decency or the respect to include an itinerary for the man. I had to get it from one of the members after he had distributed them at the meetings.

Madam Speaker, they intended to place Dr. James and I in an adversarial position in public. I have too much respect for that gentleman to do that. But the press reports will show this, so much so that members of the press came to ask me if I invited him down because when we were asked questions about the plan that we are doing in the Cayman Islands, he told them that it succeeded in Bermuda. The man has more self-respect than to come here and get involved in Cayman's politics. He presented the Bermuda situation. That is where all that new-found expertise amongst those four Members came from, because they attended the meeting he had here.

Madam Speaker, let me make it known publicly and widely, if Dr. Tomlinson wants to use the Cayman Islands Medical and Dental Society to launch his 1992 political campaign against this Government and the members of the Association, which is supposed to have been a professional Association, allow him to turn what should be one of the most respected professional organisations in this country into a political platform, I can deal with it. I have no problem with that. They want to play politics? I will play politics

with them.

Madam Speaker, they are quite willing to make press releases on what this Honourable Member and the Government is doing wrong. I do not see them telling the public what their fee schedule is. They go out and tell the public this one is too expensive yet they make no announcements. As I understand it they have adopted the Florida Medical Charges Plan. If that is a fact then come out and tell the public so the insurance companies can adjust their fees.

Madam Speaker, I have treated them as professionals. Everything I try to do I ask them for their input but if from now on they want it in public then they can comment in public. I will ask them publicly what their input is.

Now, Madam Speaker, two of those speakers in particular and to a somewhat lesser extent, the First Elected Member for West Bay, but certainly the Second Elected Member for Bodden Town and the Third Elected Member for George Town talked about victimisation and they tried to belittle and degrade the accomplishments of Mr. Harris Arlan McCoy because he is my second cousin and got the job.

I did not go to University for him or study for him. He went there and earned those qualifications on his own. I had nothing to do with his appointment. The Honourable Administrative Secretary has answered a question in this House during this sitting about how the appointment was done. Now you get the three of them coming back here and talking about me keeping it in the family. 'Tis a miracle that the Third Elected Member for George Town did not bite his tongue, as the old people used to say, when he was talking about victimisation.

I wonder if he believes the Civil Service has forgotten his reign of terror. I can prove that he asked Governor Russell to dismiss me at least three times for frivolous things like threatening to blow up Glass House and because I got up in North Side and asked his political cohort a question. When that did not work he got the help of some of his friends and came to this Honourable House in 1979 and he took the 1976 and 1977 Auditor General's Report and concocted his own figures in answer to a question from his cronies from West Bay to try to make the people believe that I was stealing hospital drugs. Totally unfounded.

I did not get my name cleared from that until he tried it again in 1984 and the now Member for Education was sitting on the Backbench and when he tried to give the answers that he had concocted, that Member informed the then Presiding Officer, Governor Lloyd, that those figures did not appear in the 1977 Report nor the 1976 Report, they were given to the President and he refused any other questions on it. And he talks about victimisation!

To complete clearing my name, it is reported in the Law Report for this country. He sent his political crony at the time, Mr. George Seymour, to North Side to spread it. He came up there himself in 1984 from the platform and used his legal brain to phrase it in such a way that, although I sat in the audience and taped it, I could not do anything about it. Then he went around and sent other people out to spread it. I took Mr. Seymour to court and it cost him \$3,000 because it was not true. And he talks about victimisation? Ask the First Elected Member for Bodden Town how he contributed to his career in education in Cayman. Remember the writs he used to hand out here? They tell me he had a special messenger and every time the *Herald* came out they ran to Bodden Town with five or six of them, but none ever went to court. You have to wonder why.

Madam Speaker, I piloted the new Pharmacy Law in this country last year. No where in that Law do see any protection for Ezzard Miller, as a pharmacist. But while he was a Member of Executive Council only the Governor in Council could allow lawyers into this country - while his law firm grew. And he comes here talking about my cousin, whose accomplishments speak for themselves (and I am proud of his accomplishments). He does not need my favouritism to get him a job. They talk nonsense about keeping it in the family and about what I should explain. Maybe he should explain about Wade and Son and tell us the whole story about the tendering for the furniture for the airport terminal.

MADAM SPEAKER:
Honourable Member would you get back to the subject of hospital fees, please?

HON. D. EZZARD MILLER: Yes, Madam Speaker. You will probably have to tell me that several times this evening, because I am going to try and reply to what they said about me.

Madam Speaker, what the Backbenchers need to do is to stop attacking young Caymanians like that, and encourage them to take their rightful place in this country.

Now, another one of their choir songs was that they claimed that the Health Authority Law sets this Member up with so much authority, and how it is unprecedented, I think was the word used by the Third Elected Member for George Town, that the Member should be Chairman of this Authority. Now, you know that Member really has a short memory, or he thinks the public does and that all that I am doing is trying to get my grandiose projects done and that it is the worst position this country could ever be in.

Madam Speaker, what does the Health Authority Law say about the composition of the Board? This is what it says under section 5(1):

- "5(1) The Authority shall consist of -
- (a) the Principal Secretary to the Portfolio of Health and Social Services, ex officio;
 - (b) the Medical Officer of Health, ex officio;
 - (c) the Chief Executive Officer, ex officio;

- (d) the Chairman of the Medical Staff Association of the George Town Hospital, ex officio; and
- (e) not less than six nor more than eight other members appointed by the Governor."

Nothing in this mandates that the Member must be Chairman and they know that if I wanted to be Chairman I would be man enough to put it in the Law. But the person that I have as Chairman of the Authority will be appointed within the next six or seven months. If I had put him in as Chairman of that Authority to begin with, he would have been ridiculed and attacked from the Floor of this House, under privilege, just as was done with Jim Conti and IHC.

I am prepared to take the political brunt from them in setting up the Authority and then handing it over to him and his capable administration because there are good members on that Board and they are capable of running that Authority.

Let us look at Laws brought by the Third Elected Member for George Town when he was the Member responsible and let us see the difference. Let us look at the Education Law, 1983. What does it say?

"Establishment of an Education Council.

3. There is hereby established an Education Council whose constitution is set forth in the First Schedule hereto...."

What does the First Schedule read? He is always lecturing me that the reason you should put them in Schedules is so that no one can change it. "You must not put it in Regulations, you must put it in Schedules so that they cannot change it." The second item in the First Schedule says:

"2. the Chairman of the Council shall be the Member of Executive Council responsible for Education."

There is no choice in the matter. This does just as much or more to affect the Caymanian public and in particular the young people and future leaders of this country than any Health Authority Law. It sets fees and all of those kinds of things but it sets them in Council and not here in this Parliament.

Madam Speaker, he is always telling me about how qualified he. He made the Law in 1983 and the first clause in the Law says:

"1. This Law may be cited as the Education Law, 1983 and shall come into operation on a day to be appointed by the Governor by publication in the Gazette."

He never did it. The now Member for Education, in 1985, had to bring a Law to validate the Education Law that he was operating the Council under as Chairman. And he comes here and talks about my doing unprecedented things by being the Member responsible for the Health Authority and that I must tell the truth. The public can come and get a copy of the Law. I read the whole thing, not the part that suited me.

Let us go one step further. He claimed this business of the Member doing these things and having this Authority as being unprecedented. Let us look at his Mental Health Law, 1979.

"Certification and detention.

7. At any time during an observation period of any person as provided by section 6 the Chief Medical Officer jointly with one other medical practitioner, both having had such a person under observation may issue a certificate addressed to the Member in the prescribed form certifying such person to be a patient in need of treatment and stating the nature of the mental disorder suspected and ordering that the patient be kept in detention for a period not exceeding six months within which period the Chief Medical officer may issue a further certificate in the prescribed form recommending the patient's release or further detention and the Member, upon perusal of such certificate may make an order accordingly."

Now, Madam Speaker, they claim I do not have any medical expertise to set up the Health Authority. That should be done by doctors but here he is writing a Law that gives him the authority to lock you up as a mental patient for up to six months. And, Madam Speaker, listen to the certificate that he signs:

"TO WHOM IT MAY CONCERN:

I, _____, member of Executive Council responsible for Health, having perused the certificate dated the day of _____ 19 _____ issued in respect of _____ of _____, a patient detained under the above Law, HEREBY ORDER *[he is ordering, you know!]*

(a) that the said _____ be released forthwith; OR

(b) that the said _____ be further detained until the _____ day of _____ 19 _____.

Dated the _____ day of _____ 19 _____.

Signed _____
Member Responsible for Health."

Now, I know that he always touts all the qualifications he has in accounting, law, banking and everything else, but I really did not know that he had a mental health certificate too. That is a new degree we have to add to his thermometer when we are reading him in the 1992 election. If I do nothing else, I refuse to sign any of these certificates. Under my administration it is a medical matter and the mental health patients must be treated as are those with all other diseases - as humanely as possible, as someone who has a sickness, not as somebody to lock up in jail.

He went further and created a special room at the Hospital. He took all of the facilities out of it and put two inch by six inch tongue and groove in the ceiling and they would lock them up so that you could not even hear them scream. In the new Hospital Plan the new mental health patients will have the exact same type of room as everybody else. They will be treated humanely. Madam Speaker, I am going to change that part of that Law before November, 1992.

He claims that I set up all of these committees and when they do not agree with me I disband them. I want him to produce evidence that I would set up a committee and then disband it before it finished its work. What I do not do is establish them as large as his Sporting Committee with 140 people or so. Did he expect to get a consensus from them? The whole idea is that he does not expect to get any recommendations because he had no intentions of taking any.

He claims that in Bermuda the Minister of Health deals only with the administration of Health and that the Minister of Finance deals with the finances. That is not entirely so, and even worse. That really shows how little he knows. They challenged me to explain the national health insurance, the cost, and the Bermuda 5 per cent levy, and how I plan to introduce a payroll tax if re-elected to fund health care.

I thank the Second Elected Member for Cayman Brac for his contribution on national health insurance because he corrected some of the misrepresentations they were making. But I circulated to them late in August 1991 a draft bill as prepared by the Insurance Committee, with regulations as proposed by the Committee, the same time that it went to the health insurance industry. I asked them for input and never got a line. I got input from the First and Second Elected Members for Cayman Brac and Little Cayman. But from them? They never read the document. They could not say the things they are saying in this House had they read it.

Madam Speaker, they get \$5,000+ a month to read those documents which I send to them. That is their work. They must read them and stop concentrating on their private businesses. Since that, I have circulated to them the discussion Draft National Insurance Bill, 1991. This is the Law which was done with input from all of those people to whom it was sent in August, excluding theirs. They never bothered to take the time. I have asked them to give the Portfolio their input by 17th January. It is left to be seen whether they will submit anything or not.

Madam Speaker, it is time for them to start acting responsibly. This country needs to find a source of funding for its health care. Contribute your input to the National Health Insurance Bill so that we can get the best possible Bill. They are interested in only one thing: coming here to criticise the Member and to vote, "No". That is the limit of their responsibility.

I have explained to this Honourable House in answer to questions in debate; I have explained in the media the differences between the Bermuda National Health Legislation and the Cayman Islands. I said we were not putting in place those various funds and levies. We gave the insurance industry three options for coverage for the people the 4 per cent levy is supposed to cover in Bermuda, the "uninsurables". We offered to take a census of the number of people, and if there were 1,000 and there were 10 insurance companies, each one could take 100. Or, we could do it the way the Bermudians do it, two weeks, twice a year, they have to insure anybody who comes to their office and makes an application. Or, they could contribute to a fund to be managed by the insurance industry, either collectively or on a rotation basis amongst the providers to which the people who are in that category of "uninsurables" can be covered. The legislation shows that the insurance industry favours the third one, of setting up the fund. That is why we do not need the 4 per cent levy. Whatever percentage that will be will be calculated by the actuary based on the cost and the demographics available.

There are a few of those funny levies in the Bermuda situation which we do not have here. I have never told anyone that we expected the national health insurance to cover preventative medicine. We have always said that should come from Central Revenue because it is very important for the country to invest in preventative medicine.

Now, the First Elected Member for West Bay alluded to some conversation he heard between me and somebody else in the Common Room (because the world knows that I was not talking to him). All of Cayman knows that I was not talking to him. Now, it could have been one of two times I was talking, and I was talking in one instance to the Second Elected Member for Cayman Brac, and in the other instance to the Third Elected Member for West Bay. Maybe we were talking about the funding of the Public Health Law. I said then that on some future date a Government might decide to identify a source of funding, but that it was of no use identifying the source and putting it into Central Revenue. If you are going to do that, then it would be just

as well that you did not identify the source. Do what you are doing now: simply apply to Central Revenue for the funds for prevention. He was standing around and then came in here and twisted my words to say that I was going to introduce payroll taxation if I get re-elected. We will see, Madam Speaker.

That is why you cannot talk to that Member in confidence about anything because trust and confidence do not exist in his vocabulary or his modus operandi.

The other common thread amongst them is that somehow I am the ultimate controller of Executive Council, that I rule it with an iron fist. I can only assume that those two Members, the Second Elected Member for Bodden Town and the Third Elected Member for George Town, are trying to apply what went on in their administration to what is going on in mine, and that I am somehow the leader of this group. I have never told anybody that I was the leader of this group. You do not hear me on the public platform saying that I am the leader. They were not elected on my charisma. They probably could not get elected on that basis.

But we all know that from 1976-1984 they towed the line with their charismatic leader and he ruled them with an iron fist. They call the other three Members over here various names, but I do not know whether he considered them mannequins who just went along, but he made the public pronouncements and they dared not differ. We sit down as four equals and discuss the topic and come to a consensus.

Now, unlike the First Elected Member for Bodden Town, the Second Elected Member does look at some of the documents you send to him because he likes that little Statistical Abstract. You heard the First Elected Member for Bodden Town saying that occupancy rates and bed occupancy was not known to me. It is a published document which is published every year. The last one, published in 1990, carried the occupancy rates from 1975, 1980, 1985, 1986-1990. But they say that I do not know what they are. All of the health care statistics are published annually by the Health Services Department, but they say that I do not have any facts to base my decisions on. They probably got a copy of this free in the mail, but they did not read it.

He used his little Statistical Abstract there to try and justify some of his arguments about prices, and why the national health insurance could not work, and why the way it was set up was all wrong. For instance, he said that in 1990 there were 67,520 prescriptions filled at the Hospital. I do not deny that, but that does not represent 67,520 patients because that is not the way they are counted. They count each item that a patient gets as a prescription item. Some patients may get four, five or six items. We had maybe a little over 40,000 Public Health Clinic visits. They are free. They will be covered under the Government funding of the Public Health Plan and will not be affected by the National Health Insurance Plan.

Madam Speaker, the Third Elected Member for George Town claimed that I had my mind on a Hospital in the swamp, my hand in the pockets of the sick and that I must tell the public how much it is going to cost. I have done that repeatedly but for that Member's information (the Third Elected Member for George Town, please listen carefully), the new Hospital is going to cost \$16,000,000, and, no, you do not need to add anymore on to that. You see, you must listen to what I am telling you. Madam Speaker, I apologise for talking across the Floor but he does not seem to understand when I am addressing you so I am trying to get through to him.

He says that the Budget which we approved a couple of days ago deliberately leaves the Health Services out of it in an election year. No, I really do not believe that the Financial Secretary gave him a different copy of the Estimates of Revenue and Expenditure than he gave me, and it is all in there. It is not left out.

Madam Speaker, the reason it is in the form of a \$7.4 million grant is because we are setting up the Health Authority and it must function on its own. But they prepared a line/item budget just like everybody else and then we sat down with the Financial Secretary and agreed on what the grant could be, based on what revenue we expected to generate and keep. That figure was not taken out of any hat. The cost for the Civil Service care is under Personnel. The cost for overseas medical care is under the Portfolio. The Member must earn his salary. He must read the documents the Government gives him to read.

Madam Speaker, he claims the fees are a barrier. There might be some social connotation to that, but a system is in place to cater to those people. Now I accept that in the case of the Second Elected Member for Cayman Brac, in which he was speaking of, we just had a change in the staff member who does it - and it may not have been done properly, but a leaflet and information packet is being prepared which will detail exactly what is covered, how it is done and all patients will be given that to ensure that they get the full information.

The only barrier to health care right now is that often we do not have the bed space to put people in. The only ones holding that up are the Backbenchers. The records in this House will show who tried to get and what they did with it. They are out there trying to scare people over what I am doing to the health system and that they are going to be worse off (the test of time will prove that), and that the Caymanians are so daft that they are going to have to spend a fortune changing their attitudes for them to appreciate a good hospital. I do not believe that. Nothing but the best is good enough for our people. It can be done reasonably and it will be done reasonably.

Now, the First Elected Member for West Bay came up with a theory that boggles my mind. He said that I am expecting 25 per cent of the people to pay for the services. The whole basis of the Health Authority is to ensure that the Hospital gets paid for every service it renders. The service for people who are free will be paid for by Government. It is in the budget. Those people who can pay, will pay. Those people who have insurance will pay when we get the national health insurance. And they are going to get the opportunity to vote on that in March. We all know that they are going to vote against it.

We expect to have the Regulations brought to Parliament in the June meeting, with implementation to start in June 1992, and employers will have until June 1993 to get all of the

insurance in place, etcetera, then the punitive measures of the Law will be put in place. This is a reasonable, practical approach to introducing the system, but they are still going to vote against it.

I wonder how they are going to pay for their health system and for their health care improvements, or are they going to do nothing and then tell the Hospital staff, "We are freezing you out. There will be no increase in benefits, no improvements in facilities and we are not putting tax on anyone to pay for them"?

Madam Speaker, as long as you keep the health care system as part of Central Government you have to put in taxation to pay for it, especially when you have the attitude that you are only going to charge those who can pay 50 per cent of what is recommended to be charged. Even the insurance companies cover you for \$300 a day. That is what the public is paying the premium on. We are charging \$50 to subsidise rates.

Madam Speaker, that Member has also been trying to chastise me for the last several months about not submitting the Hospital to the Public Sector Investment Committee. The decision to build a new Hospital taken by this Government was done before the creation of the Public Sector Investment Committee. It was taken in February 1990. Now the specific decision as to what the facility will look like, where it was going, and that there would be 90 beds and would be between 95,000 and 100,000 square feet, were decisions taken as Government policy in February 1990. When the financing package plan is finished, and the design is completed to a stage where the Public Sector Investment Committee has something to review, I have no fear in submitting it to them. I have no fear of submitting the financial plan to the Economic Development Unit. I have one of the premier accounting firms in this country, Ernst & Young, examining it now.

Madam Speaker, I wonder if we could see a copy of the Public Sector Investment Committee on the West Bay Post Office?

MR. W. McKEEVA BUSH:

Do you have one for North Side?

HON. D. EZZARD MILLER:

No, that decision was taken before too. I hear that it even has a Town Clock and that it is bigger than the one out in front of this building. They have MLA offices and all kinds of things.

MR. W. McKEEVA BUSH:

And we still cannot get it.

HON. D. EZZARD MILLER:

They are all projects of the Government.

Now, Madam Speaker, he claims that we should charge those who can pay. They should be made to pay. But we must increase the fees. They are going to vote against the increase in fees here today, but they are trying to tell me that those who should pay must be made to pay, but they must continue to pay the subsidised rates. Where he gets this information that we are going to have 40 doctors employed at the new Hospital is beyond me, because I know of no such need for an additional 16 doctors. I have made it known to all and sundry. One of the problems with the doctors is that I am going to make them all equal. Those in the private sector will not be able to lock up their offices at 2:00 p.m. - and then when you call them they tell you to go to the Hospital and the Government has to provide doctors - they are going to have to treat their patients properly. They will have admitting privileges to the Hospital and they can treat their patient in the Hospital. Those who work for the Government are going to be put on a Fee for Service contract, and, pending things like Protection Board work permits, they can go out into the private sector and work as long as they fulfill their contract for Government. We are going to reduce the number of full-time employed doctors in the sense that they work only for the Health Authority under the new organisation.

Madam Speaker, this is the most serious statement made by that Member in this Parliament. He said it in his contribution to the Budget Address, he said it yesterday in his contribution to this debate, and he repeated it this morning. He is championing himself to be directing policy after the 1992 Election and he is warning the financial institutions in this country that he will not honour their commitments.

Now, I want them to listen very carefully and understand the magnitude of that statement. He claims that the Bermuda system is funded 75 per cent by tax on income. The latest accounts which I have seen from the Bermuda Health Authority does not demonstrate that.

Madam Speaker, he went on about the split-site, and that we should not have a clinic. I wonder if the Member is advocating the closing of the West Bay Clinic and put it all on one site? Now that is good representation for the people of West Bay... let us close the West Bay Clinic to put it all on one site. No more out-patient facilities.

Madam Speaker, he said there has to be a rule-of-thumb in making these decisions. Yes, that is the trouble with that Member. All of his decisions are made by rule-of-thumb. He asks five people, and whatever the thumb one says along with two others, that is the answer. Accommodate and compromise. What does it take to get me elected? Not, What is good for the country?

He went on and on this morning about my not listening to the technicians in my Department. Never in the history of the Health Services in this country have the technicians in the health system been given the opportunity to make the input that they have made to Government policies.

Madam Speaker, one, at this point in time, can really expect no better from them. They oppose the Government for the sake of opposition. The Motion is before the Assembly. I do not expect either one of the four of them to vote for it. That is their democratic right. I have done my job. The Executive Council, the executive arm of Government, has done its job. It is here: They can vote against it, or they can vote for it.

Thank you, very much.

MADAM SPEAKER:
Motion No.12/91, which reads:

The question before the Honourable House is Government

"WHEREAS section 15(2) of the Health Services Authority Law provides that regulations establishing fees to be charged by the Authority are subject to the affirmative resolution by the Legislative Assembly;

AND WHEREAS draft regulations entitled the Health Services Authority (Fees) Regulations 1991 were approved by Executive Council on 12th November, 1991;

BE IT RESOLVED that the Health Services Authority (Fees) Regulations 1991 made by Executive Council on 12th November, 1991 are affirmed."

against, No.

I shall put the question. Those in favour, please say Aye. Those

AYES & NOES

MR. W. McKEEVA BUSH:

May I have a Division, Madam Speaker?

DIVISION NO. 37/91

AYES: 8

Hon. Thomas C. Jefferson
Hon. Richard Grounds
Hon. Lemuel Hurlston
Hon. Norman Bodden
Hon. Benson O. Ebanks
Hon. Ezzard Miller
Hon. Linford Pierson
Capt. Mabry S. Kirkconnell

NOES: 7

Mr. W. McKeeva Bush
Mr. John D. Jefferson, Jr
Mr. Truman M. Bodden
Mr. Gilbert A. McLean
Mr. Roy Bodden
Mr. G. Haig Bodden
Mr. John B. McLean

MADAM SPEAKER:
is passed.

The result of the division is eight Ayes, seven Noes, the Motion

AGREED: GOVERNMENT MOTION NO. 12/91 PASSED BY MAJORITY.

MADAM SPEAKER:

Proceedings will be suspended for 15 minutes.

AT 3:22 P.M. PROCEEDINGS WERE SUSPENDED

PROCEEDINGS RESUMED AT 3: 3:42 P.M.

MADAM SPEAKER:

Please be seated. Proceedings are resumed.

Government Motion No.13/91. Suspense Account - Commercial Hydroponic Activity (The Public Finance and Audit Law, 1985). The Honourable Elected Member for Communications, Works and Agriculture.

**GOVERNMENT MOTION NO. 13/91
SUSPENSE ACCOUNT - COMMERCIAL HYDROPONIC ACTIVITY
(THE PUBLIC FINANCE AND AUDIT LAW, 1985)**

HON. LINFORD A. PIERSON:

Thank you, Madam Speaker.

Madam Speaker, I beg to move Government Motion No.13/91, Suspense Account - Commercial Hydroponic Activity in accordance with the Public Finance and Audit Law, 1985.

The motion reads:

"BE IT RESOLVED THAT the Legislative Assembly, acting in accordance with section 30(1) of the Public Finance and Audit Law, 1985, hereby approve the establishment of a suspense account for the purpose of a commercial hydroponic activity to be carried on by or on behalf of the Government, subject to the following conditions and limitations:

(a)that a separate bank account be established with an approved bank in respect of the activity, which account shall have two signatures being the two most senior officers controlling the project;

(b)that the name of the account includes the Cayman Islands Government;

(c) that proper accounts be maintained in respect of the activity and that there be a monthly reconciliation with the bank account;

(d) that a quarterly report, which includes details of the financial position, be provided to the Portfolio and the Financial Secretary;

(e) that the Auditor General and the Chief Internal Auditor be given access to all records and financial statements in respect of the activity;

(f) that a statement of the bank account established in respect of the activity be provided to the Accountant General at the end of each financial year;

(g) that any interest earned on the bank account established in respect of that activity be retained for the purposes of the account."

Madam Speaker, this is a non-contentious motion and hopefully there will be no controversy on this motion as it is quite straightforward. Just to give a bit of background on this motion and the reason for bringing it, I would like to briefly speak to it.

The full details on the history of Mr. Otto Watler's hydroponic project is well known to Honourable Members. Mr. Watler experienced numerous operating problems which were identified and subsequently managed with the aid of a horticulturist, Mr. Gus Joseph, now employed as the agronomist with the Plan Implementation Unit whose services were initially on a consultancy basis.

In an effort to prevent Mr. Watler from closing the operation, thereby encouraging agricultural development in the Cayman Islands, approval was given by Executive Council to take over the implementation and management of the project for a period of two years commencing on 15th July, this year. During this time the viability of the operation would be realised and it is in accordance with the Public Finance and Audit Law, 1985 that a suspense account is required for the profit earned from the hydroponic operations.

Under the revised budget for Phase I of the Agricultural Development Plan, approval was given by the Executive Council to Government's involvement with Mr. Otto Watler in the operation of this hydroponic farm. During this period substantial improvements in production and marketing techniques are to be applied to the farm through the day to day management of the Agricultural Development Plan Implementation Unit which will invest the approved sum of \$20,644 to cover certain capital and operating costs.

The project is expected to generate cumulative gross income from commercial sale of tomatoes made through the Farmers' Market of between CI\$61,100 per year in a worst case scenario, or up to CI\$114,000 per year in a best case scenario barring not major natural disasters and depending on yields of tomato and prices obtained from wholesale buyers.

The Plan Implementation Unit has carried out certain sales projections, certain feasibility studies and it is shown from those feasibility studies that this project can be viable. Approval was sought from Executive Council to allow the Agricultural Development Plan Implementation Unit (PIU), to establish a separate account in an approved bank to hold cash from sales of the tomato products by the operation. This was also, as mentioned earlier, supported by the Accountant General and for the information of Honourable Members I would like to just read what he had to say on this. In his memorandum of the 8th November, 1991, to Dr. Cecil Taft, who is in charge of the Plan Implementation Unit, he writes:

"Thank you for your paper outlining the possible cash flow effects of this project and also your proposal that a separate bank account be established. I support the suggestion that a separate bank account be established. I suggest that it should have two signators who should be the two most senior officers controlling the project. The name of the account should include the Cayman Islands Government and should be with one of the approved banks.

It will be necessary for proper accounts to be maintained and for a monthly reconciliation with the bank account. I shall be happy to advise on the setting up of these arrangements. There should be a quarterly report including the financial position to the Portfolio and the Financial Secretary.

Additionally, both the Auditor General and the Chief Internal Auditor should have access to all records and financial statements. At the end of each financial year I will need a statement of the bank account so that this can be incorporated into the Government's accounts as a cash balance.

Before any action can be taken, the Portfolio should obtain a resolution of the Legislative Assembly before the end of this year under section 30(1) of the Public Finance and Audit Law, 1985 specifying the establishment of a special suspense account and outlining the arrangements. This should include reference to interest earned on the bank account being retained for the purpose of the account."

Madam Speaker, I do not think there is a lot more that I can say to this motion. As I stated earlier it is quite straightforward. The purpose of the suspense account is well known to all Honourable Members. It had to be brought to the Legislative Assembly to set up such an account in accordance with section 30(1) of the Public Finance and Audit Law, 1985.

The justification of this motion should not be questioned at this stage as I believe that most Honourable Members are supportive of Mr. Otto Watler's hydroponic farm. I would ask all Honourable Members to give this Government Motion No.13/91 their full support.

MADAM SPEAKER:

The question before the Honourable House is on Government Motion No.13/91. "BE IT RESOLVED THAT the Legislative Assembly, acting in accordance with section 30(1) of the Public Finance and Audit Law, 1985, hereby approve the establishment of a suspense account for the purpose of a commercial hydroponic activity to be carried on by or on behalf of the Government, subject to the following conditions and limitations," as outlined in the motion. The motion is now open for debate. If no Honourable Member wishes to debate the motion if the mover would like to add a few more words.

HON. LINFORD A. PIERSON:

Madam Speaker, just to thank all Honourable Members for their support to this motion.

MADAM SPEAKER:

Thank you. I shall now put the question on Government Motion No.13/91. Those in favour please say Aye...Those against No.

AYES.

MADAM SPEAKER: The Ayes have it.

AGREED. GOVERNMENT MOTION NO. 13/91 PASSED UNANIMOUSLY

MADAM SPEAKER:

The next item on today's Order Paper is Government Motion No.11/91, Draft Five Year Education Development Plan, 1991-1996. The Honourable Member for Education, Environment, Recreation and Culture.

**GOVERNMENT MOTION NO. 11/91
DRAFT FIVE YEAR EDUCATION DEVELOPMENT PLAN 1991 - 1996**

HON. BENSON O. EBANKS:

Madam Speaker, I beg to move Government Motion No.11/91

which reads as follows:

"WHEREAS on 27th June, 1991 the Honourable Legislative Assembly passed the following Motion: THAT THE EDUCATION REVIEW 1990, AND THE DRAFT FIVE YEAR EDUCATION DEVELOPMENT PLAN 1991 - 1996, BE ACCEPTED AS THE BASIS FOR NATIONAL DIALOGUE AND FINAL PREPARATION OF A FIVE YEAR EDUCATION DEVELOPMENT PLAN WHICH ITSELF WILL BE BROUGHT BACK TO THIS HONOURABLE HOUSE FOR DISCUSSION, DEBATE AND FINAL ACCEPTANCE;

AND WHEREAS there has been subsequent meetings held with teachers in the Government schools as well as private schools and public meetings have been held in ALL districts in the Islands, including Cayman Brac;

AND WHEREAS as a result of the consultation which has taken place Government has accepted that the Plan as drafted should be come the FIVE YEAR EDUCATION DEVELOPMENT PLAN 1991 - 1996;

BE IT NOW THEREFORE RESOLVED THAT this Honourable Legislative Assembly accepts the DRAFT EDUCATION DEVELOPMENT PLAN 1991 - 1996 for implementation."

Madam Speaker, by way of background the Education Review and Five Year Education Development Plan emanated from a consultancy mounted by the Education Portfolio and the Education Department starting in July, 1989 because of their own concerns and the following expressions from the general public and motions in this Honourable Assembly to the effect that it was now timely that our education system be re-examined with a view to making improvements to it.

Specifically, there were two motions in this Honourable House, one to the effect that Government give consideration to increasing the school leaving age by one year and the second, that Government give consideration to establishing a teacher training facility locally. Government accepted these resolutions because they coincided with Government's and the public's own thinking in this regard. Consequently, Government approached the United Nations Development Programme in July, 1989 requesting that they, the United Nations Development Programme, should fund and carry out an examination of the Islands' education sector.

The Portfolio, in consultation with the Education Department, prepared a most detailed and comprehensive 'Terms of Reference' for the Review. Eventually, Mr. James Porter, a well qualified and experienced educationalist (and Director General of the Commonwealth Institute in London) was appointed the lead consultant. Other members of the consultancy team included Dr. Desmond Broomes, Senior Research Fellow of the Education Facility, University of the West Indies; Mrs. Deanna Lookloy, Assistant Secretary in the Portfolio of Education, Environment, Recreation and Culture of the Cayman Islands; and Mrs. Lillian Archer,

Education Officer of the Cayman Islands. This was, and is, a well qualified, experienced and powerful team. The local component of this team was most important because both officers have been involved in our education sector for many years and assured that the Review and recommendations reflected the local realities.

Madam Speaker, the printed Review gives in detail the wide scope of the Terms of Reference. However, the Term of Reference numbered 14 provided the key to the Review, that is to determine how far the present system caters to the need of every child and potential employer. It is the essential question that needs to be asked about every education system and requires equal concern both for individual development and for the contribution which each individual needs to make to his society. The essential objective of our education system must be the development to the highest possible degree of our indigenous human resources of all abilities.

It is my, and Government's, view that the Five Year Education Development Plan which seeks to embody the recommendations of the Review will meet this stated objective. While the Review and Plan are far-reaching and comprehensive, its provisions are well within this country's means to accommodate and accomplish.

It is estimated that the capital expenditure will be in the region of \$32.5 million and that the recurrent expenditure at that time, the time of the full implementation of the Plan in 1996, will be in the region (for the five years) of some \$74 million to \$77 million. These levels of expenditure should not frighten anyone. The capital expenditure includes the two new Primary Schools already under construction and budgeted for, that is the one at West Bay and the one at Prospect covering the George Town district. The new proposed High School in the eastern districts has been a part of the Education Portfolio and Department's plan for many years.

Madam Speaker, the education sector has historically received around 14 per cent of the national budget on an annual basis. So these figures are well within the anticipated cost of education in any event. There is no better area for Government to spend its money. It has been truly said that if one believes that education is expensive, then the alternative ignorance should be costed.

As I have said, while there are some 63 recommendations in the Review, the main thrust of the changes recommended has been to simplify and consolidate what is currently a somewhat disjointed and confusing set of institutions. It is proposed that schooling should begin in the Primary School at age four years, nine months and carry through there until the age of 10 years, nine months. That there should be a secondary stage for students between the ages of 10 years, nine months and 16 years, nine months. Prior to entry into Primary School it is recommended that there should be the opportunity for all children over the age of three years to attend preschool centres separate from schools but where their personal, physical and social developments can be nurtured.

Following the statutory schooling after 16 years of age, it is planned that the Community College will offer a full range of courses for the 16 to 18 year age group both on a full-time and part-time basis, including "A" levels or its equivalent. The Community College will have a major role to play with regard to education and training of the more than 16,000 adults in the Cayman work force.

A simplified version of what I have just said is that upon the implementation of the Plan the system will henceforth be from three years to four years, nine months, children will attend pre-schools, from that age to 10 years, nine months, there will be six years of primary education followed by six years of secondary education, that to be followed by two years at the Community College. Government will, of course, continue to fund University education for Caymanians overseas.

Broadly, the other recommendations for change and improvement include the development of a national curriculum to cover the formal education, schooling of children with a National Curriculum Council to co-ordinate the various activities of the curriculum; the development of three Cayman Islands Achievement Tests to monitor the pupils' performance at ages eight years, 11 years and 14 years. There is a recommendation for increased provision and improved co-ordination of recreation and sports activities. And as I will mention elsewhere, enhancing pastoral care and support services in the schools and providing community based social education programmes.

The recommendations also include the restructuring of the Department of Education; the establishment of an automated, administrative information and retrieval system; instituting a system of triennial school inspections by inspectors from outside the Islands; the assessment of the validity and reliability of external examinations and their relevance to Caymanians society; development of an amended teacher annual performance evaluation report; establishment of School Boards; the establishment of linkages with the community and agencies within the community; the establishment of a labour market information system in collaboration with the Portfolio of Finance and Development.

As will be demonstrated, Madam Speaker, the Review included widespread and extensive consultation with the Caymanian society and reflects the views gained therefrom. It reflects the expressed view that there is a great readiness for change in the education system in these Islands and thus the excellent opportunity for education to make an extraordinarily important contribution to social, cultural and economic development in these Islands.

As indicated, the recommendations in the Review and the Education Development Plan are based on field work and intensive and extensive discussions with the widest possible range of interests and opinions within the Islands. Intensive discussions were held with every level of the political an administrative directorate of the Government which included dialogue with all Portfolios and Departments of Government. Detailed discussions were held with key representatives of the private sector including banking, tourism and other commercial interests and all the main professional associations were closely consulted.

These included the Chamber of Commerce, the Building

Contractors Association, Cayman Free Press, Investment Management, Retail and Marketing, the Restaurant Association, the Insurance Managers Association, Cable and Wireless, the Hotel and Condominium Association, the Medical and Dental Association, travel agencies, the Society of Professional Accountants, the Bankers Association, Architects, Engineers and Surveyors, the National Trust, the National Cultural Foundation, the Agricultural Society, the Netball and Football Associations, the Sports Co-ordinator and the joint executive of the Parent-Teachers Association and taxi drivers individually.

Most importantly, parents and students themselves and the teaching community. The principal actors in the sector were fully drawn into the Review. Visits were made to every Government School and every private school in the Islands. The community at large participated in an open, interactive, discussion on local radio and by making a number of informative, individual contributions to the consultants.

Madam Speaker, once the Plan now being proposed for acceptance was prepared, the Review and Plan were made available to the teaching profession and the general public. A series of meetings and consultations have been conducted with the teaching profession and the general public. In the case of the general public, after wide publicity was given to the proposed meetings. These meetings were attended by the Principal Secretary in the Education Portfolio, the Chief Education Officer, the two local consultants and myself. Meetings were held in West Bay, George Town, Savannah, Bodden Town, North Side and East End, as well as Cayman Brac. Except at West Bay and Cayman Brac, the attendance at these meetings was disappointingly small. Nevertheless, meetings were beneficial and lively and the team gained much from these exchanges. Generally, the proposed plan was well accepted.

There were two areas of concern. The first was the proposal to phase out the reception class in Government Primary Schools and to replace these by preschools, to be hopefully, operated by the private sector with licensing, supervision, and inspection by the Education Department. Prior to this Review, the Education Department had already prepared guidelines and procedures for the licensing of these preschools to ensure quality and uniformity in these institutions.

The private sector has responded most admirably to Government's suggestion that the preschools be provided by them. Government has no desire or intention to compete with the private sector in the provision of preschools. The exception to this general premise is in East End, North Side and Cayman Brac where because of small numbers the private sector might not readily come forward to meet the need. In those instances, Government will step forward and fill the void as it has already commenced doing.

Madam Speaker, once it was pointed out to the general public that what was being proposed to be discontinued was a half-day reception service, where parents who could afford to could still take their children to a day care centre for the remainder of the day. The proposed action was generally accepted. It is Government's intention that it will, if necessary, subsidise the provision of preschool. But it would be a folly for Government to seek to take over a service which the general public (the private sector) has been providing in large measure as the following statistics will reveal.

Most recent available statistics show that there are some 460 children in these Islands in the three to four year, nine month age group. Of these, only 205 are in the Government Preschool Programme. The remainder are in the private schools. The bill for providing the services to these 205 children alone is some CI\$596,514.40 per annum. This figure does not include other costs such as buildings, furniture, janitorial services and supplies and other costs. The truth is that Government's proposed action in regard to preschools will, in our opinion, result in a much better and wider provision for total day care services for the use of this country. When the full ramifications of these proposed changes had been explained it was generally and widely accepted.

The other main area of concern revolved around the change in the approach to secondary education where the Middle School provision, as it is now known, will not be continued. Again, when it was explained that the total proposal called for more and smaller Secondary Schools targeted to have a maximum enrollment of 500 students, a series of Secondary Schools, two in George Town, one for the eastern districts and one in West Bay and that it was in this process of reasoning that the present Middle School became a casualty.

It was further pointed out that to duplicate Middle Schools and High Schools in that scheme of things would be excessively, and unnecessarily, expensive. The first three years of High School will be organised to provide pastoral care and support for the transition, that it will be possible to have pupil-centered learning that has come to be valued by parents as a product of the present Middle School system. The principle has generally been accepted that it would be necessary then to phase out the Middle School as presently exists.

Madam Speaker, it will be seen that the Plan calls for the introduction of education social workers as a part of the pastoral care of all school aged children. There are other innovations such as the introduction of School Boards for all schools in the Government system. So the pastoral care of students has not been forgotten and in fact it is planned to increase pastoral care. With the reduced size of the schools where personal attention can be given by teachers, the Department and the Portfolio have no fear that the system will provide adequate pastoral supervision.

So, Madam Speaker, no one set about to abolish the Middle Schools, as such. But when all things were considered - the reduction in total enrollment, the great desire and need to have children enter High School at an early age to enable them to have a smooth transition and allow them six years at their leaving examinations rather than three years, and with their having to make decisions on examination options after only three months in High School, as at present - then the fact is that the Middle School (as it is presently known) has no place in this new and improved Secondary School system.

Madam Speaker, there were other less important areas of expressed concern by the individual members of the public. These were based more on personal preferences rather than on technical grounds. Therefore, it will be seen that the terms of this motion have been fulfilled, as has the consultation process envisaged by Government Motion passed by this House in June last.

Madam Speaker, in closing, let me say that I have been encouraged by comments made to me both by locals and persons in the education field in overseas jurisdictions that Government's Five Year Education Development Plan is a solid one. Let me say also that the formulation of an Education Development Plan is an awesome task. It is a task larger than any individual. I would hope that it is not too much to hope that Members will rise above politics and personal vendettas when dealing with this issue. Let me say quite clearly that no one, be that person a former Member, a former Chief Education Officer, a former or present teacher, or anyone else, has the right to oppose this Plan merely because he, she, or they, might have been the architects of some part or all of the system which is proposed now to be changed. No one, Madam Speaker, no one can claim that right.

At least one Member of this Assembly has expressed the hope that this Plan is not based on politics. Let me hasten to say that I have never (nor will I do so at this stage) played politics with the future of my country. This is exactly what we are talking about with the Education Plan. This is the future of this country. Let me admit up front that I have neither the training nor the capacity to put a plan as comprehensive and cohesive as this one together. What I do have is the responsibility and the will to carry this Plan, devised by qualified and dedicated educationists both from outside and inside this country, into action.

Madam Speaker, I commend this Education Development Plan, the motion to put it into implementation to the favourable consideration and support of Honourable Members. The hour is late, the time is now, for us to take decisive action to put the education sector of these Islands on a firm and forward-looking path. Madam Speaker, a young human mind is a terrible thing to waste.

Thank you, Madam Speaker.

MADAM SPEAKER:

The question before the Honourable House under Government Motion No.11/91 is, "BE IT NOW THEREFORE RESOLVED that this Honourable Legislative Assembly accepts the Draft Education Development Plan 1991-1996 for implementation." The motion is open for debate.

The First Elected Member for West Bay.

MR. W. McKEEVA BUSH:

Madam Speaker, I rise to offer my support to certain parts of the Draft Five Year Education Development Plan. I have but one interest and that is the future of education in this country. Madam Speaker, I was architect of several resolutions to effect changes in the educational system and I am happy that those changes are all in that Development Plan.

Madam Speaker, there are things which concern me, but let me be the first to tell you that there are, perhaps, others much more qualified than I am who will take this Plan and go through it item by item. One of the problems I find with the Development Plan, and I believe one that the Member himself spent some time on in his introduction, was the abolishment of the Middle School. Now I speak from a parental level, and I feel that this move they are planning is not going to be in the best interest of the school system.

On their visit to West Bay it was said by the Chief Education Officer that there was a need to move the reception classes away from the primary classes. I have posed a question then: If that is factual, how are we allowing our 11 year-olds to be mixed with the 16 (plus) year-olds in the High School? These are concerns of mine. I do not only speak as a parent who has a child in the Middle School system, I have one who went through the Middle School system and is now in the High School system, and I must say that my children have done well. I have talked to my constituents and I have talked to other people throughout this country and they have agreed with me. People are concerned about what is going to be the future of the Middle School students.

Madam Speaker, I know that there is nothing I can do about it except plead with those people in charge and trust that every precaution will be taken when dealing with this matter.

There are other areas. The one area that I am a little bit concerned about is that of the School Board in the context of our educational system. I wonder whether this will work and whether parents are expected to get involved on an administrative level? I said that I would not be speaking long on this matter and I am going to give way to those who I believe will go in depth into this Development Plan.

For my part, I have been encouraging people to get information concerning the changes in the system which is being proposed from a public platform, and from a private individual's point of view.

Madam Speaker, we live in a changing Cayman and there are many pressures upon Government, not only from the local point of view, but we have an expatriate community that is causing a severe strain on the Government school system. When we hear about problems in the schools a lot of times it is not because of a local person but these problems originate from a certain minority group and it gives me cause for great concern. As I said, Cayman, as far as I am concerned, is at a crossroads in our educational system and the way forward is something I hope that those in charge have taken cognisance of for the needs of the future.

Madam Speaker, we hear much about parental discipline and parental responsibility. Today, that is lacking in a lot of areas. I have publicly stated, and, in fact, begged, that our parents be more vigilant, to attend to the needs of their children, to be sure that they do their homework instead of watching television, that they assist them where they can with homework and where they cannot assist their children, they should go out and find assistance where the child needs it. I have begged from public platforms that

our parents attend PTA meetings, attend the meetings at the end of term. This is the only way we are going to know what is going on. This is the only way we can help with our childrens' educational future.

Maybe I am the least among the apostles when it comes to these matters, but one thing I do know is the value of a good education. That is all that I want for this country - a good educational system. I believe that we have some of the wherewithal in this document. I am not going to say all because I have my doubts about some of it. I trust that the plea for non-partisan politics will be taken up on that side as well because I know that the Member piloting this resolution himself objected to the Middle School system vehemently in the past. I hope all of that is behind him when he is dealing with this Plan. He has my support. I have told him so. I say so publicly because this is the future of our country; but I trust in dealing with that particular matter that all malice has been completely wiped away.

Madam Speaker, I yield the Floor to other Members who might be much more capable than I am. I hope and pray that the way forward has been well chosen.

MOMENT OF INTERRUPTION

MADAM SPEAKER:

It is 4:30 p.m. time for interruption.

SUSPENSION OF STANDING ORDER 10(2)

HON. THOMAS C. JEFFERSON:

Madam Speaker, in accordance with Standing Order 83, I move the suspension of Standing Order 10(2) to allow the debate to go on until 10 minutes of 5:00 o'clock.

MADAM SPEAKER:

The question before the Honourable House is that in accordance with the provisions of Standing Order 83 Standing Order 10(2) be suspended in order that debate will continue until 10 minutes of 5:00 o'clock.

MADAM SPEAKER:

I shall put the question. Those in favour please say Aye...Those against No.

AYES.

MADAM SPEAKER: The Ayes have it.

AGREED. STANDING ORDER 10(2) SUSPENDED.

MADAM SPEAKER:

The First Elected Member for Bodden Town.

MR. ROY BODDEN:

Thank you, Madam Speaker.

If it is necessary, I will allay the fears of anyone who may need their fears allayed by saying that I, too, will be giving qualified support to this Education Plan. I have, on many occasions spoken informally with the Honourable Member concerning the Plan, and I promised him that when it came to the House, in my attempt to speak to the Plan, I would be fair, honest, impartial and apolitical. As a matter of fact, earlier today I had occasion to discuss with him some concerns and to suggest some things which I think may be improvements to his Plan.

I will continue to do that, and not only will I do that, but the Government is asking and claiming that the people on the Backbench have no alternatives. Where it is relevant, I will posit where improvements could be made, in my estimation. My caveat is that even though I perused the Plan, I do not see where it is absolutely necessary for me to give tacit approval to everything. Therefore, I reserve the right to explain and to give my reservations on those sections of the Plan which I think need explanation.

Prior to the merging of the secondary modern with the grammar schools in the 1960s, more than 90 per cent of Caymanian students in the Government system left school before the age of 14 because there was no provision to keep them in the system beyond that age. Some of us were fortunate in that there was some little scope to go on. I was one of those. I would say of that meagre number we probably represented one of about 400 to 500 students who were of the age to continue in the school system were there provision to do so.

Today, when the mandatory school leaving age is up to 15+, there are much better provisions for Caymanian students, so more of them stay in school at the secondary level for a much longer time. The weakness is, however, that many of them still leave school ill-equipped to enter the work force, or even to understand what adult life is about. Concomitant with this expanded enrollment of the school as an institution are the functions which have been assigned to the school by the necessities of a developing economy and a changing society, so that the school is no longer a molder and framer of the minds of the young people, the school is also (as we term it in the profession) *in loco parentis*, because in many instances the school has to assume the responsibilities of the parent.

This is so because our economy has changed to the point where it is now absolutely essential for both parents to be breadwinners. Societal mores have changed to the point where there is an increasing number of single parent families in which that parent, most often the mother, has to work two jobs in order to make ends meet; so the school has come to adopt an expanded role.

It is to meet this expanded role, these increased expectations, that this Plan has as one of its objectives. That is commendable, as the Member pointed out the Government plans, if necessary, to take some part from the very beginning of learning to the point where they will subsidise, if

necessary, preschool education.

A fundamental reservation that I have, and a prejudice which I hold dear to my heart, is that I believe that we should make the compulsory enrollment up to 18 years. But I would say that is my problem, and I can live with the effort (however grudgingly made by the Member) to add on one year. Rather tongue-in-cheek, I might say that the addition of the next year will be left to the new Member. No offence!

It is striking that with the increased responsibilities and expectations of the school, and the efforts made by various political directorates, we have not done as well as we could do because there has been a breakdown, in my assessment. An increasing number of parents are entrusting the school with all of the responsibilities for the child's upbringing. I dare say that the statistics of the Juvenile Court and the Magistrate's Court can bear this out if one would take the time to analyse it. In my own travels and experiences I notice an increasingly large number of young people becoming involved with the Law. I can only assume from a cursory investigation that the parents now are not paying the attention that they should to their children.

I suppose I will be accused of being an old romantic, but I lament the days when child rearing was a communal responsibility; when any respected member of the community had the right to reprimand and, in some cases, chastise an errant child. We have passed that now and because of economic pressures I am saying there has been a breakdown. I believe that is one of the things that this Education Plan can address successfully with a few adjustments, which I will elaborate upon as I develop my argument.

MADAM SPEAKER:
take the adjournment?

Honourable Member, would this be a convenient time for you to

MR. ROY BODDEN:

Yes, thank you.

MADAM SPEAKER:

Thank you.

ADJOURNMENT

HON. THOMAS C. JEFFERSON:
o'clock tomorrow morning.

Madam Speaker, I move the adjournment of this House until 10

MADAM SPEAKER:

The question before the Honourable House is that the House do now adjourn until 10 o'clock tomorrow morning. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

MADAM SPEAKER: The Ayes have it.

AT 4:49 P.M. THE HOUSE STOOD ADJOURNED UNTIL 10:00 A.M., WEDNESDAY, 18TH DECEMBER, 1991.